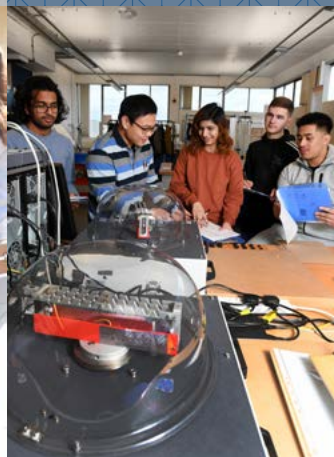


Financial Statements

2019/20





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Financial Statements for the year ended 31 July 2020

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Strategic Report 2019/20

Mission and strategic vision

When Brunel was awarded its Royal Charter in 1966 we were given a distinct purpose and an incredible opportunity. The campus was to be the home of technological education, championing innovation and advancement, and giving the UK the knowledge base it needed to compete on the international stage. We conceived a brand of education, and later research, which was overwhelmingly geared towards the needs of industry. Our ambition was to equip students for the world of work and to address society's challenges on a global scale.

The challenges have changed, but our aims are as innovative and ambitious as they always were – to develop research and educational programmes informed by, and tailor-made for, those who benefit; and to give students the academic education and personal skills needed to become a success in the real world.

These aims are articulated in the University's mission:

'To bring benefit to society through excellence in education, research and knowledge transfer'.

The University has adopted a Strategic Vision, "Brunel 2030 – A university for a changing world". The Vision articulates our commitment to bring benefit to society through excellence in education, research and knowledge transfer. It also describes our key goals and values.

"Brunel 2030 – A university for a changing world" positions the University to deliver our strategic vision of:

'Strengthening our position as a leading multidisciplinary research-intensive technology university delivering economic, social and cultural value and placing excellence, innovation and an entrepreneurial spirit at the heart of everything we do'.

- True to the words of our Royal Charter, we will continue to lead and innovate with new models of research, education and knowledge transfer, placing the needs of society at the heart of our academic activity.
- We will build on our heritage of working closely with businesses, governments and the not for profit sector to fulfil our mission.
- We will establish strategic partnerships and commercial ventures to strengthen our position and support the University's long-term sustainability.
- We will be at the pinnacle of technology universities in the UK and firmly established in the top tier internationally of this special group of institutions.
- Our success will be a tribute to our students and staff, who will share this vision and work as one to achieve it.

Strategy

"Brunel 2030 – A university for a changing world" adopts five distinct themes that underpin the vision and recognises the values upon which our success is founded. And, though our role as educators and innovators will change in the coming years, these goals, values and vision will remain at the heart of everything we do and the driving force behind our future achievements.

The Government's election manifesto outlined their commitment to investment in research and development and radical change to post-18 education. The imminently expected Higher Education Strategy is expected to reaffirm that commitment. We are poised to respond to the Government's Higher Education Strategy and to best position Brunel for success in the coming years.

Whilst a time of great uncertainty and challenge, the pandemic has reinforced the agenda for change in the higher education sector, with universities viewed as key players in supporting economic and social recovery post Covid-19 both by delivering the skilled workforce and doing research that will bring direct benefit to society. A number of regulatory changes from the Office for Students ("OfS") and UK Visas and Immigration ("UKVI") were implemented during the peak of the pandemic as well as the provision of support packages from the government to stabilise the sector; all were very helpful in enabling the sector to manage the challenges presented. The pledge to train more healthcare workers and the drive for more vocational education in health and Science, Technology, Engineering, Arts and Maths ("STEAM") subjects provide great opportunities for Brunel, playing to both our current strengths and our history.

We welcomed the Government's new Research and Development Roadmap and its strong commitment securing the UK's leading position in research through increased investment and maximising the opportunity to secure the benefits of that research through development and innovation.

The University is committed to working with businesses, the NHS and other parties to ensure our graduates have the broad skills required by employers, to use our expertise in research to drive economic growth and social prosperity and to encourage innovation and entrepreneurship. As part of this commitment, in December 2019 we appointed a new senior post to lead this work - Chief Business and Innovation Officer (CBIO) reporting to the Vice-Chancellor - and launched an External Engagement, Innovation and Entrepreneurship Strategy.

1. Education and student experience

This has been a year like no other, and the Covid-19 pandemic may prove to be the most significant disruptor higher education has ever experienced.

For the first six months we made excellent progress on our ambition to introduce more interactive teaching, and to increase the many and varied ways of using technology in teaching and assessment. To support staff to teach differently, and prepare for the opening of the new Learning and Teaching Centre, we have an ongoing programme of upgrading existing teaching spaces with new technology. We also continued to implement our plan to expand and diversify our educational portfolio. We opened our new Department of Chemical Engineering and welcomed our first cohort of undergraduate students in September 2019-20 and, working with InteractivePro, successfully launched our new suite of online master's degrees with the introduction of degrees in Public Health & Health Promotion and Engineering Management, both of which are well subscribed. Plans for further growth and diversification are progressing well and include extension of our online programme portfolio; expansion of our delivery of transnational education (TNE) with our partners in China and Bahrain; the introduction in 2020-21 of degree apprenticeships in partnerships with the Metropolitan Police Service and the NHS; and the opening of our Medical School and School of Nursing in 2021-22.

Digital learning

The University's priority in response to the pandemic has been to ensure that students can complete or continue their education as planned. This meant that teaching was moved online for the last few weeks of term two, as were the summer exams. The University was in an excellent position to meet the challenges of conducting online exams, given our award-winning work on implementation of digital assessment (Collaborative Award to Teaching Excellence (CATE) recipients in August 2019).

Since early May, we have been making preparations for the 2020/21 academic year, to ensure that our new and returning students can continue their education safely, whatever the circumstances. Whilst social distancing remains in place, campus capacity will be significantly reduced and therefore prioritised for interactive activities such as seminars, small group teaching and practical sessions, with lectures online. We are committed to dual delivery so that students who are unable to join on-campus sessions will (with a few exceptions) be able to study online. Academic colleagues have come together to support each other in developing online teaching sessions, in addition to centrally-provided resources and support structures.

Our clear educational goals form the foundation of a new Education and Student Experience Strategy, which was in development when the pandemic forced campus

closure in March. The developing strategy had a strong focus on digital and flexible delivery, which has necessarily been influenced by the pandemic; we have significantly accelerated our progress compared with pre-pandemic expectations. We are restarting the strategy development from a different position, and as a result can be more ambitious in setting the future direction.

Funding Success

The University has had two notable successes in competitive funding bids to the Office for Students in 2019/20, which will help us deliver new initiatives. The Department of Computer Science was awarded funding to develop a course that will support students from a variety of academic backgrounds, including non-science/-engineering graduates, to gain a postgraduate qualification in data science and analytics. Importantly, the funding includes scholarships prioritised for female, black and disabled students. Our Global Challenges Programme team were awarded funding for a project on student engagement in knowledge exchange, which will support student exchanges between Brunel and Zambian institutions, and provide a platform to develop a strategic, co-designed research agenda in Zambia.

Opportunities for Development

Following a review of the opportunities for professional development for staff and graduate students who support learning and teaching, the Academic Professional Development Unit (APDU) was established in August 2020. Working collaboratively with Colleges and the Academy for Transformation of Teaching, the APDU will support the University's vision and strategies by providing professional recognition in learning and teaching through the APEX framework; expert services, tailored support and CPD opportunities that reflect the needs of individuals, teams and the University's learning and teaching priorities; and support for teaching excellence bids and scholarship.

In order to combat a continuing poor National Student Survey (NSS) return, an institution-wide taskforce, called "Students First" was established. Constant work initiated by this group throughout the year led to a halting of the downward trend in terms of the NSS with improvements in 21 of the 27 areas of reflection. This initiative will continue as we seek to improve the student experience year on year. The lockdown prompted by the Covid-19 pandemic saw a herculean effort to transfer all aspects of teaching and examinations online; this was achieved with great success, including students sitting their examinations remotely and using University supplied equipment where needed. In order to support students experiencing digital poverty, for an estimated 5-10% of students that did not have access to a suitable device or

network connection that would allow them to engage with online teaching, an extended laptop loan scheme was made available for all UK-based students. The existent and highly successful Lecture Capture facility enabled us to move quickly and provide students with what they needed.

Brunel Design School, bringing Digital Media and Design together to enable pathways between physical and digital design programmes, was established in Spring 2020.

“We are restarting the strategy development from a different position, and as a result can be more ambitious in setting the future direction.”

2. Research

Responding to the Pandemic

As with other aspects of the University's operations during 2019/20, the Covid-19 pandemic had a significant impact on research activities with research laboratories largely closed and research teams working remotely from March 2020 when the lockdown started. Academic project leaders and managers responded with creativity and resilience in challenging circumstances to manage the impacts on their projects and research staff.

The University also contributed directly to the national effort to respond to the pandemic by, for example, supporting the NHS in provision of PPE, supplying modelling tools to help authorities simulate and forecast the effects of local lockdown measures and developing a fast, low-cost Covid-19 molecular diagnostic test, based on previously funded research on virus detection in chickens. This device, developed jointly with Surrey and Lancaster universities, is now being commercialised for use for testing humans for infection with the Covid-19 virus. In addition, the College of Health, Medicine and Life Sciences developed and delivered the training programme for staff working in the Nightingale Hospital in London.

Research strategy

During 2019/20, a detailed implementation plan was developed to enable the delivery of the benefits of the new Research Strategy. Ten working groups were established, each focusing on one area of delivery of the Strategy, ranging from 'People and Skills' to 'Partnerships and Profile', and overseen by a Research Strategy Implementation Group.

A key development has been the establishment of a fourth Research Institute, the Institute of Digital Futures (IDF). The IDF aligns to one of Brunel's five Strategic Challenge Areas: Digital Futures, Artificial Intelligence and Big Data and, crucially, lines up with the Government Industrial Strategy's emphasis on AI and data and the future of mobility. Following consultation, there was broad support for creation of a fifth Institute aligned with the 'Connected Communities' Strategic Challenge Area. Plans are in progress to consider the scope and objectives of a new Institute in this space, alongside a review of the existing Institute for Environment, Health and Societies, with the aim of making appointments to the Director positions in 2020/21. This will ensure that we are well placed to deliver the Brunel 2030 Research Strategy with the appropriate agility to contribute to economic growth and social recovery as we come through the Covid-19 crisis.

The University also implemented plans to establish Research Centres and Research Groups to allow the formation of research activity around areas of research strength and unique capability and to facilitate the promotion of our research more clearly to external

audiences. An internal call for applications for Research Groups and expressions of interest to form Research Centres was published in March 2020. This resulted in 13 applications for new Research Groups. Also, we have received 15 expressions of interest in establishing new Research Centres. Subject to approval, the University website will be updated to promote the Groups and Centres and a launch event will be held in early 2021.

As part of the Strategy, the University introduced its inaugural Research Impact Awards to celebrate outstanding achievement in translating research potential into significant academic, economic, social and cultural impact. The Awards were established to celebrate Brunel's research excellence, champion and make visible good practice in impactful and engaged research, reward and recognise public engagement at Brunel and demonstrate Brunel's role, achievements and impact in the field of engagement. Following a high-quality field of nominations, winners and special commendations were announced under the eight Award categories during an online ceremony in June 2020.

The Strategy also set out an aim to create an integrated pre- and post-award research service to deliver more effective and consistent research support across the University. A review of research management and administration was conducted and resulted in significant changes to the way in which research is supported at Brunel to better align with the University's new academic structures. This included the establishment of:

- a new team within the Research Support and Development Office (RSDO) to support interdisciplinary research and the challenge-led research mission of the new Research Institutes; and
- new arrangements for post-award support for research projects, with Colleges taking responsibility for project delivery and administration, and a new central post award team in RSDO providing University-wide support for project set up, review, closure and funder assurance.

A smooth transition to the new support structure was implemented over the course of the year, with the aim of ensuring the new support processes were fully devised, tested and communicated by August 2020, whilst maintaining business continuity in support for academics.

As a research-intensive university, Brunel has a strong commitment to supporting the career development of all those who contribute to our research endeavour. In support of its research activities the Graduate School successfully retained the HR Excellence in Research Award and in October 2019 Brunel joined 15 other institutions in signing the new Researcher Concordat, agreeing to work collectively with colleagues across the sector to tackle and overcome the challenges faced by researchers

in developing their careers, ensuring staff are given the opportunity to develop their talents and realise their potential

Research grants and proposals

The total value of grants and contracts awarded to Brunel in 2019/20 was £23.2 million, an increase of 14% over 2018/19.

This included an award of £1.2 million by UK Research and Innovation (“UKRI”) as part of its Covid-19 Grant Extension Allocation. This award was formula driven, linked to the value of research funding the University was profiled to receive from Research Councils and Innovate UK, and provides support for research and technical staff and research infrastructures during the period of pandemic disruption and its immediate aftermath. Its objective is to ensure that UKRI grant outcomes continue to be met and to sustain grant-funded research, skills and capability of UK research organisations that will be needed to underpin the post-pandemic national recovery.

The total value of proposals submitted was £131.2 million, an increase of 30% on the previous year and the total number of proposals submitted was 572, an increase of 60%. 180 proposals were submitted in the final quarter alone, with a combined value of £36.6 million. This was almost 2.5 times as many applications as were submitted in the same quarter of 2018/19, a considerable achievement given the challenges of the second half of the year due to the impact of the Covid-19 pandemic.

Much of Brunel’s research continues to be directed towards delivering social, economic and policy impacts, addressing complex questions that require a robust evidence base. Some examples of projects awarded during 2019/20 include:

Brunel was awarded £161,020 by the European Commission for the ATHLETE project: Advancing Tools for Human Early Life-course Exposome research and Translation. The project aims to develop a toolbox of advanced, exposome tools to systematically quantify the effects of a wide range of community-level and individual-level environmental risk factors on mental, cardiometabolic and respiratory health outcomes and associated biological pathways during the first two decades of life. The resulting evidence will be used to inform policy recommendations and prevention strategies.

The University secured funding of £506,345 from UKRI for Sol-Tech - Solar Powered Horticulture Cold Chains. The project will help address key Sustainable Development Goals, including halving food waste by 2030, providing access to energy for all and alleviation of poverty and malnutrition. This will be achieved by development of an innovative but affordable solar powered modular fresh food cold storage and first mile distribution system for application in areas with no or limited and unreliable access to the electricity grid.

Another project awarded by the European Commission was ITFLOWS which will provide accurate predictions and adequate management solutions of migration flows in the European Union in the phases of reception, relocation, settlement and integration of migration. These insights will be provided by an evidence-based ICT-enabled solution and precise models, validated by policy-makers and practitioners in cooperation with civil-society organisations in a dynamic and iterative process. This project brought funding of £508,804 to Brunel.

Finally, Brunel was awarded £1,009,167 by the Advanced Propulsion Centre UK for ALIVE: Aluminium Intensive Vehicle Enclosure. With the transition to electric vehicles, this project addresses the technological challenge of providing higher performance aluminium automotive extrusion alloys to provide battery and structural components for vehicle integration and the required structural integrity. This will have a direct impact on vehicle weight and safety and the energy density and power density of the battery pack and hence vehicle range between charging.

Research Excellence Framework (“REF”) 2021

Preparations for REF2021 have proceeded at pace and to timetable, preparing the submission to 16 Units of Assessment, approximately 650 academic staff, just over 1,600 outputs and 59 Impact Case studies. Submission to REF2021 was suspended in March 2020 to review the impact of Covid-19 on the ability of institutions to focus on preparations while staff efforts had to be diverted to respond to the emergency.

After a number of consultations, a revised submission date of 31 March 2021 was agreed. Census date and periods of assessment have not been altered except for an extension to the period for reporting impact in the Impact Case studies that has been extended to 31 December 2020.

“The University contributed directly to the national effort to respond to the pandemic by, for example, supporting the NHS in provision of PPE, supplying modelling tools to help authorities simulate and forecast the effects of local lockdown measures and developing a fast, low-cost Covid-19 molecular diagnostic test.”

3. Our University community

The health and wellbeing of our employees and students are of paramount importance to us and a key priority in our current three-year plan. The goal is to build on our strengths; we have a nationally recognised Student Support and Welfare service, a strong Health and Wellbeing programme of events and increasingly integrated stress monitoring and management in line with the Health and Safety Executive (HSE) guidelines and supported through our Human Resources Directorate and our occupational health provision.

Mental health and wellbeing

Our Brunel Mental Health and Wellbeing Strategy was refreshed in 2019 with a focus on integrating healthy practices and behaviours into the normal business of the University, with visible behavioural leadership, through such activities as walking meetings, rest breaks and flexible working practices. This work has been particularly valuable as staff working practices and work commitments have changed in response to the pandemic. Our Employee Assistance Programme has been an essential resource for staff during these uncertain times and provides access to immediate and confidential counselling, health and wellbeing advice and critical incident response and stress management programmes. The introduction of new wellbeing champions, a new partnership with Able Futures for the provision of mental health support services and a new financial wellbeing service delivered through Neyber have strengthened our infrastructure of support. Guidance has been provided to staff and managers through our all staff briefings and online portal to support wellbeing and to ensure staff are aware of the services available to them.

Trade union engagement has been increasingly important as our community responds to the pandemic and we have been working closely with our trade union colleagues to ensure that any return to campus is as safe as possible and that new ways of working, which the current environment necessitates, will not have a detrimental effect on staff. As part of this wider work with the trade unions, weekly meetings have been held (led by the Provost) specifically to focus on the delivery of education alongside bi-weekly health and safety consultation meetings.

Within our organisational structure, equality, diversity and inclusivity remain embedded at a number of levels and within all departments and professional directorates. Our staff engagement survey, Brunel Voice, continues to identify equality and diversity as a strength area in the University. However, we know there is more to do to break down barriers and to promote and ensure equality. We are consulting on a new Equality, Diversity and Inclusivity Strategy, which will be launched next year. We continue to focus on pay gaps for gender and ethnicity and for

the first time this year included disability pay gaps within our annual report. In 2020 Brunel was awarded the Employer's Network for Equality and Inclusion's award for our work on addressing pay gaps. We are members of Stonewall and Working Families, with accreditation by Athena SWAN (University membership renewed in 2017/18 and departmental awards also achieved). We successfully renewed our HR Excellence in Research Award which is a marker of the quality of our researcher developer programme, and we are a Gold Disability Leader. With these levels of accreditation, we will work to promote good practice across the sector as well as continually raise our standards to ensure inclusion for all staff.

Rewarding our community

Reward and recognition is an important element of the University's people strategy and supports and facilitates performance improvement and engagement. The principles of our reward strategy are underpinned by the desire to offer rates of pay that enable the University to attract, engage and retain high performing employees in academic, professional services and support roles with the capabilities, knowledge and experience needed to deliver the 2030 vision, mission and goals. New reward policies have been introduced to ensure best practice with job evaluation re-grading, relocation, global mobility and market supplements. Our new benefit portal, 'Your Rewards' provides savings to employees on a range of products, services and activities. The previous Research Incentive Scheme has been replaced by a holistic Awards for Excellence Scheme that is open to academic, research and professional services staff and recognises outstanding contributions in all areas of University activity. Taking onboard feedback from Brunel Voice and to promote a more appreciative culture, a new Appreciation and Recognition Portal was implemented that provides employees with the opportunity to say thank you to a colleague and to nominate them for a £25 voucher.

We continue to enhance our position as an employer of choice for the best people. Our focus on talent acquisition over the past year has been on enhancing our employer brand to attract talented and diverse candidate pools and to deliver an excellent candidate experience at every stage of the recruitment and selection process. Further work is needed in this area and our HR Business Partnering team are working in partnership with leaders to deliver workforce planning so that we recruit the right people, with the right skills to the right roles. Work has recently started on reviewing our onboarding and induction approaches so that new colleagues integrate quickly and effectively.

The current Staff Development Strategy, launched in 2016, will be refreshed in the coming year as we move to a new Organisational Development service that

proactively supports transformational change, enhances organisational capability and performance and ensures that our people are led and organised with the skills they need to deliver Brunel 2030. The new leadership competency framework is starting to embed and talent development programmes have been strengthened through our Academic Leadership Programme, ASPIRE for leadership development for high potential managers, and Management Bites, a self-directed learning programme for leaders and managers at all levels.

“In 2020 Brunel was awarded the Employer’s Network for Equality and Inclusion’s award for our work on addressing pay gaps. We are members of Stonewall and Working Families, with accreditation by Athena SWAN (University membership renewed in 2017/18 and departmental awards also achieved). We successfully renewed our HR Excellence in Research Award which is a marker of the quality of our researcher developer programme, and we are a Gold Disability Leader.”

“In 2020 Brunel was awarded the Employer’s Network for Equality and Inclusion’s award for our work on addressing pay gaps.”

4. Our campus and local community

Brunel's Vision 2030 envisages a University adept at working in partnership, recognised as a civic university and driver of growth, both social and economic, within its region whilst at the same time having a profound global impact through its research and its teaching.

We are proud of our local community and the value we add. It is therefore no surprise that Brunel has, in partnership with West London Alliance and West London Business, convened the West London Vice Chancellor's initiative which aims to bring our wide range of facilities and expertise together on a regional scale to help facilitate change. Together we can contribute true critical mass and geographical reach and working with partners in local government and other membership bodies can help to bring together an unrivalled network to support the future vision for West London and aid its recovery from the serious economic effects of Covid-19. This ground-breaking collaboration aims to help tackle the economic and social impacts of an area which has suffered a significant economic downturn, exacerbated by the importance of the aviation sector in the region, through working to increase skills and social mobility and economic growth and innovation. We will also use our combined voice to advocate for our local community. We are 'hands on' in our approach to working with local businesses through initiatives like our Co-Innovate programme, Brunel Hive, and our Brunel for Businesses webinar series.

Pledging our support

The onset of the Covid-19 pandemic during the latter part of 2019/20 raised unprecedented challenges for the Brunel community and the local region, with profound impacts on health services and the local economy. At the height of the pandemic Brunel was at the forefront of supporting the NHS with everything from providing facilities, PPE, trained staff and reservists. Our researchers provided modelling to assist local councils and health authorities to predict and plan for demand as well as developing Coronavirus testing products. The University looked to assist local businesses and their representative bodies through providing volunteers, useful information and introduced a series of well-received webinars focused on business recovery and other relevant themes. The University remained available to its partners and community by switching quickly and effectively to remote working and online provision.

Despite the pandemic we continue to explore new ways of encouraging the local community to take advantage of the opportunities available to them through the Public Engagement Programme, Brunel Sports, Brunel Arts and business/conference facilities, including through the provision of online classes and information. Our outreach activities are locally focused and target students from

underrepresented groups with particular emphasis on students living in low participation neighbourhoods, students with disabilities and care-leavers, as set out in the Access and Participation section of this report.

Brunel has a history of collaboration and partnership with businesses, from local, national and global perspectives and the University signed the Civic Universities Pledge as a mark of our commitment to Hillingdon. Groundwork for a much greater recognition of the civic impact of the University has also been undertaken through aligning our work with the requirements of the National Co-ordinating Centre for Public Engagement Engage Watermark. The University established the successful Central Research Laboratory in Hayes, the UK's first product-based accelerator for start-ups, in partnership with U and I and this has become a model which is to be rolled out nationwide by our partner. To date, over 100 businesses have been supported, and we and our partner are seeking to expand the programme in 2020-21. The University also actively supports businesses through up-skilling, project based work and undergraduate placements (c1,400 per annum). Our ability to develop partnerships across industry and local and central government is important to the local economy and will be ever more so as the region looks to forge an economic recovery. The University is an active supporter of Chambers of Commerce and local business organisations such as West London Business and initiated and hosts the successful Hillingdon EXPO which brings together local businesses of all sizes and encourages interaction between them.

We have voluntarily engaged in the full process of the Knowledge Exchange Framework ("KEF") during its inaugural year, and intend to adopt the optional narrative statements following approval by the Executive Board. This positions Brunel as proactive about knowledge exchange, and signals our ambition as well as showcasing our success.

The University is committed to working with the NHS and local authority to support improved delivery of health and social care locally and nationally through education, research, innovation and knowledge exchange. Central to this goal was the creation in 2016 of the Brunel Partners Academic Centre for Health Sciences (BPACHS) which aims to support the education of health and social care professionals from entry point throughout their careers to ensure they have the skills to meet the changing needs of the service and to support the delivery and translation of research designed to improve population health and health and social care delivery. Working with our partners (The Hillingdon Hospitals NHS Foundation Trust; Central and North West London NHS Foundation Trust; the Hillingdon Primary Care Federation; the Hillingdon CCG; Harefield Hospital) our vision is to deliver cost-effective high-quality care and support the drive towards patient-

centred integrated care and safe and effective translation of care into the community. A key component of this vision is expansion of provision in healthcare education (including Physician Associate, Medicine, Nursing, Health Care Management and a range of apprenticeships) and our focus on interprofessional education to facilitate the development of effective team-based care.

Developing our campus

Brunel's campus remains the hub of our university, providing an outstanding environment for staff, students, partners, visitors and the wider community. Maintaining and developing our excellent academic, social, recreational and residential facilities is a central part of our long-term vision. To ensure our students are exposed to the very latest in terms of teaching technology, eight of our large, tiered lecture theatres have had new software installed as well as double screens and cushioned seating. This is the first in a series of upgrades to our teaching spaces with an ambitious programme of such renewal planned for the coming years.

We have completed a number of refurbishment projects designed to enable new programmes and enhance our learning and teaching facilities. In particular the work required to support the opening of our new Department of Chemical Engineering (new laboratory and teaching facilities and enhanced student social space) was completed with the programme taking its first intake of students in September 2019. Design work is also in hand to provide the facilities for our new Medical School to enable the first intake of students in 2021/22. Significant refurbishment of four lecture theatres within the existing Grade-2 listed Central Lecture Block have been completed along with upgrades of the mechanical and electrical services; further upgrade work will be undertaken during the Summer of 2020.

The new Learning and Teaching Centre (LTC) will replace the recently demolished John Crank building at the

very heart of the Campus. The £50 million LTC will be at the heart of modern, innovative teaching and learning opportunities for students at Brunel although completion, originally scheduled for late 2021 has been deferred as part of the University's initiatives to conserve cash resources during the pandemic. The design, with the spacious, flexible interior of the building fits well with Brunel's ambitions to produce an environment that is adaptable to new methods of learning and can build upon all the work already being done across campus to innovate and modernise our teaching.

The University has also undertaken a number of upgrade projects, including the Mill Hall student residence, refurbishment of the Student Services space and additional student social space. New catering outlets have also been added to the existing range of facilities on campus.

The challenge of maintaining ageing 1960s and 1970s building stock has been reviewed and an outline plan of work devised to ensure that they remain safe and fit for purpose; however, this will be a long-term programme of work. Particular attention is being paid to fire safety issues across our building portfolio, drawing on the lessons from the Grenfell Tower fire.

We have continued to modernise our Information Technology (IT) provision, including increased use of cloud technology, and the migration of core services to an offsite location at Slough while retaining onsite capability in a second data centre. Our cyber strategy and action plans to mitigate the risks to our security are working well, including an education programme for staff and students to raise awareness of phishing and related threats.

“To date, over 100 businesses have been supported, and we and our partner are seeking to expand the Central Research Laboratory programme in 2020-21.”

5. Global impact

The draft International Strategy seeks to build on Brunel's strong international ethos and standing, and has four main themes;

- i. internationalisation of teaching, learning and student experience;
- ii. high quality and sustainable international student recruitment;
- iii. enhancing the international recognition of our excellence in research; and
- iv. developing and maintaining international education, research and business partnerships.

Brexit continues to be a major challenge to several aspects of this strategy, including the ability to attract and retain staff and students from the EU and to access EU research funding and networks. In addition, ongoing pressure on immigration, and the increasing regulation of student visas, may impact our ability to recruit overseas students, although from 2021, the new Graduate Immigration Route will counteract some of these effects. We are working to mitigate these issues in several ways, including building a strong network with like-minded European universities (YERUN), seeking alternative sources of international research funding, and developing TNE opportunities to educate students outside the UK.

Key collaborators

We continue to build partnerships with universities, research institutes and business across the world. We continue to implement our International Partnerships Strategy which provides a framework for the collaborative development of partnerships in line with the University's vision and strategic objectives. This strategy helps to ensure a coherent and efficient approach to identifying, developing and sustaining international partnerships that enhance the University's reputation while establishing new routes to student recruitment, research collaboration and revenue generation. Our internal structures have been re-designed to support our international activities leading to formation of a new Global Engagement Office.

We are working to increase the number of students coming from partners and expand our partnerships in strategic regional hubs. Our first substantial undergraduate TNE programme commenced in Chongqing, China in September 2018. In April 2020 we announced a partnership with the North China University of Technology (NCUT) to establish a joint college which will see 300 Beijing-based undergraduate students starting each year, to work towards degrees awarded by both universities. Our other TNE activity is in Bahrain, where we offer PhD programmes at Ahlia University, to which we plan to add Masters programmes. We continue to explore new TNE opportunities. The impact of this work will be to increase the number of overseas students

studying for a Brunel degree, either as a partnership or in a TNE programme. We expect that in future a substantial proportion (~50%) of the growth in our international students will be from partner organisations.

We will continue to develop collaborative research funding with partners (industry and universities), seeking to develop links that will enable us to take advantage of continuing and new funding streams. This will enable us to maintain the high level of international collaborative research, boosting the impact of the research as well as raising our reputation. Our international research has been recognised by a global top-100 ranking in the Times Higher Education Supplement ("THES") Impact Rankings, which are based on work towards the UN Sustainable Development Goals.

Study Abroad Strategy

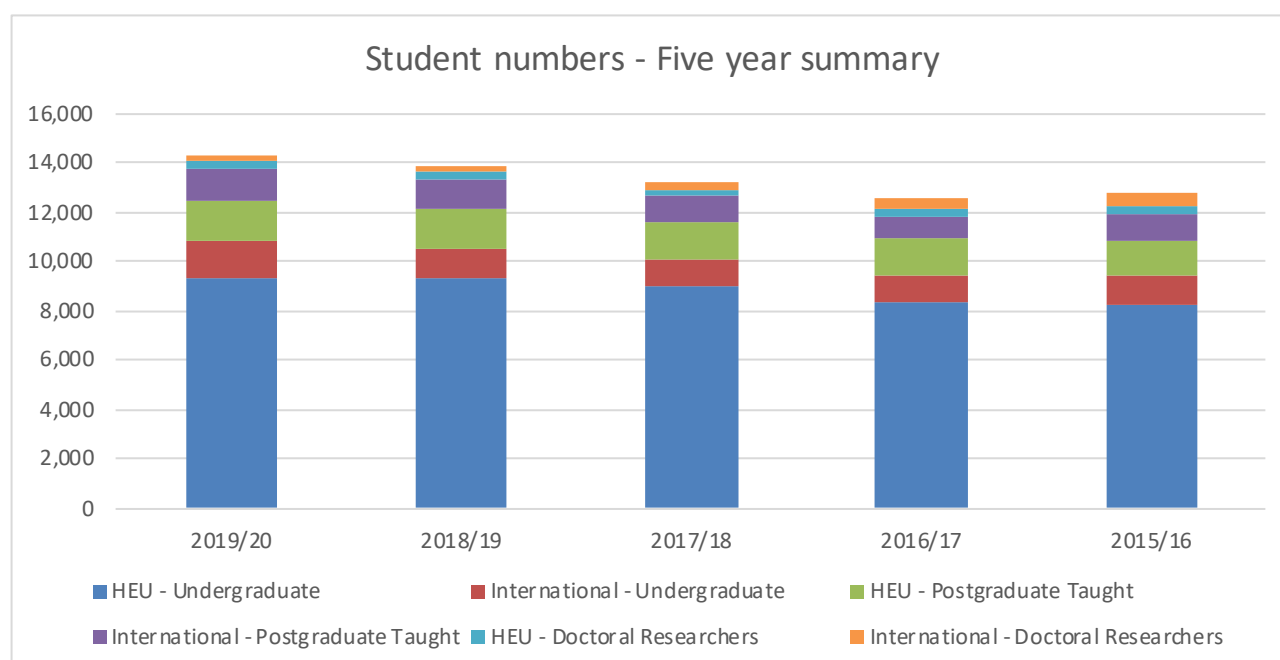
We are also seeking to internationalise the experiences of home students studying on the Brunel campus. Our Study Abroad Strategy (2020) aims to grow and develop Brunel's Study Abroad and Student Exchange programmes to provide unique global mobility options for students, and also to generate new revenue streams. We are expanding the opportunities for students to undertake voluntary activities, work placements, summer schools and academic exchanges as part of their (co)-curriculum. In recent years we have developed opportunities in China, Colombia, South East Asia, India and the USA. The impact of this will be to give our students opportunities to have life-changing experiences that help them develop as global citizens – preparing them to work in an international environment.

The recruitment of international students is critical, and we will continue to work with agents and our affiliate college to attract a wide range of students across the University. We will improve on our marketing, agent support and customer service and focus it where it will be most effective and will maintain our high level of UKVI compliance to mitigate the risk of losing our trusted sponsor status.

"In April 2020 we announced a partnership with the North China University of Technology (NCUT) to establish a joint college which will see 300 Beijing-based undergraduate students starting each year, to work towards degrees awarded by both universities."

Financial Review

Student numbers



Overall student numbers were 14,265, an increase of 373 over 2018/19, representing 2.7% growth.

International undergraduate numbers increased by 307 students, or over 25%, and international postgraduate taught numbers increased by 144. The increases reflect targeted recruitment action in Europe, North America, China and India. We also continue to strengthen our strategic educational partnerships with target universities, to ensure a secure flow of students via programmes in which students spend one or more years of their degree programme at Brunel.

Home and European Union (“HEU”) undergraduates increased by 21, a further improvement on the increases in the previous three years. Since 2016/17 the University’s concerted actions to reverse the trend of declining numbers of HEU undergraduate numbers have succeeded. There were small decreases in the other student number categories, with HEU postgraduate taught numbers declining by 66 students, or 4.1%.

Operating results

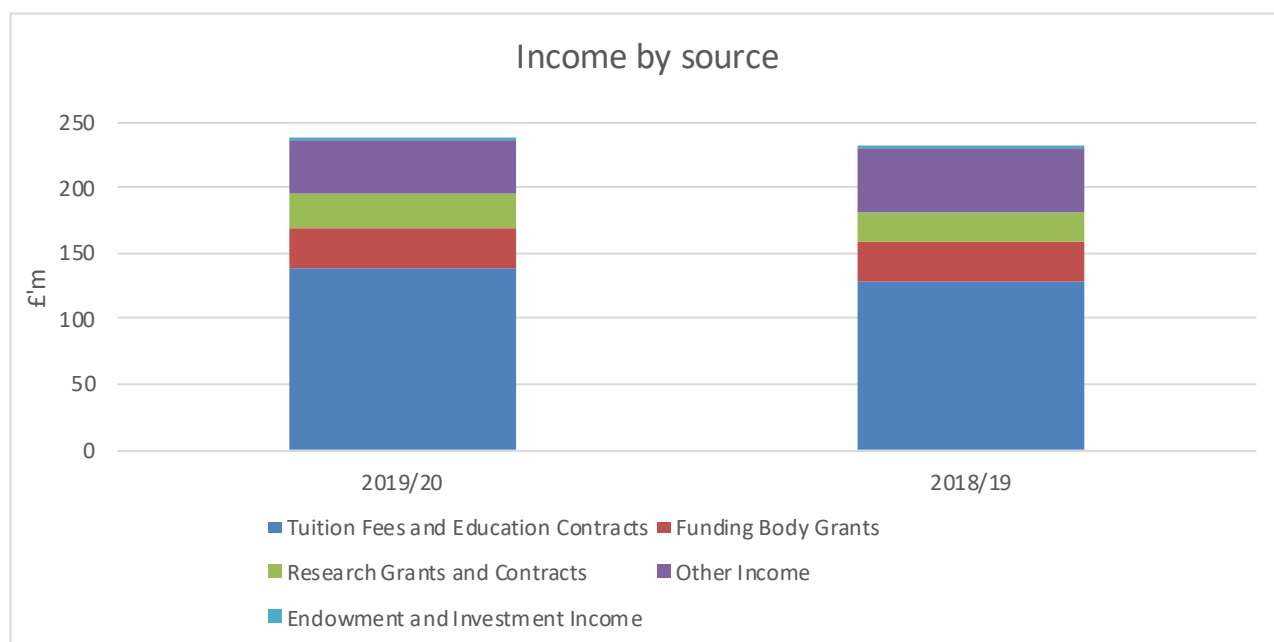
	2019/20	2018/19	2017/18	2016/17	2015/16
	£'m	£'m	£'m	£'m	£'m
Income	237.1	229.8	220.7	200.6	201.7
Expenditure – pre USS Deficit Revaluation and LPFA Age Discrimination Provision	(236.0)	(226.2)	(215.9)	(200.0)	(199.4)
Surplus pre USS Deficit Revaluation and LPFA Age Discrimination Provision	1.1	3.6	4.8	0.6	2.3
USS Deficit Revaluation (see note 20)	20.3	(35.0)	-	-	-
LPFA Age Discrimination Provision (see note 30)	-	(1.0)	-	-	-
Surplus / (Deficit) After USS Deficit Revaluation and LPFA Provision	21.4	(32.4)	4.8	0.6	2.3
Net Operating Cashflow	11.9	23.6	23.1	13.5	12.0
Cash and Short Term Investments	57.5	55.8	52.8	56.0	60.3

The presentation of the financial results has been adjusted in the table above to separate out the impact of the recognition of the latest Universities Superannuation Scheme (USS) pension revaluation and show the underlying surplus. In common with other institutions in the USS, the scheme deficit has been a feature of the University's financial statements since the adoption of FRS102 for 2015/16 reporting. For 2019/20 and for 2018/19, the income and expenditure impact of the deficit provision revaluation (which does not impact the University's cashflow) is significant and an adjusted presentation is shown above to enable the comparison before and after its impact to be made. In 2018/19 a further £1.0 million provision in respect of a past service cost adjustment relating to the London Pension Fund

Authority (LPFA) Pension Scheme is also shown as a separate item above, consistent with the prior year.

The University generated a surplus before the USS adjustment of £1.1 million for the 2019/20 year, reduced from the £3.6 million level of 2018/19 as the University was impacted by the Covid-19 pandemic. The net cash flow from operating activities was £11.9 million, 5.0% of income. This is lower than the £23.6 million in 2018/19, primarily due to working capital changes as well as a lower underlying surplus. The level of cash (cash and short term investments) at the end of July 2020 was £57.5 million, £1.7 million higher than the £55.8 million held at the end of July 2019.

Income



Total income for 2019/20 was £237.1 million, £7.3 million (3.2%) higher than in 2018/19.

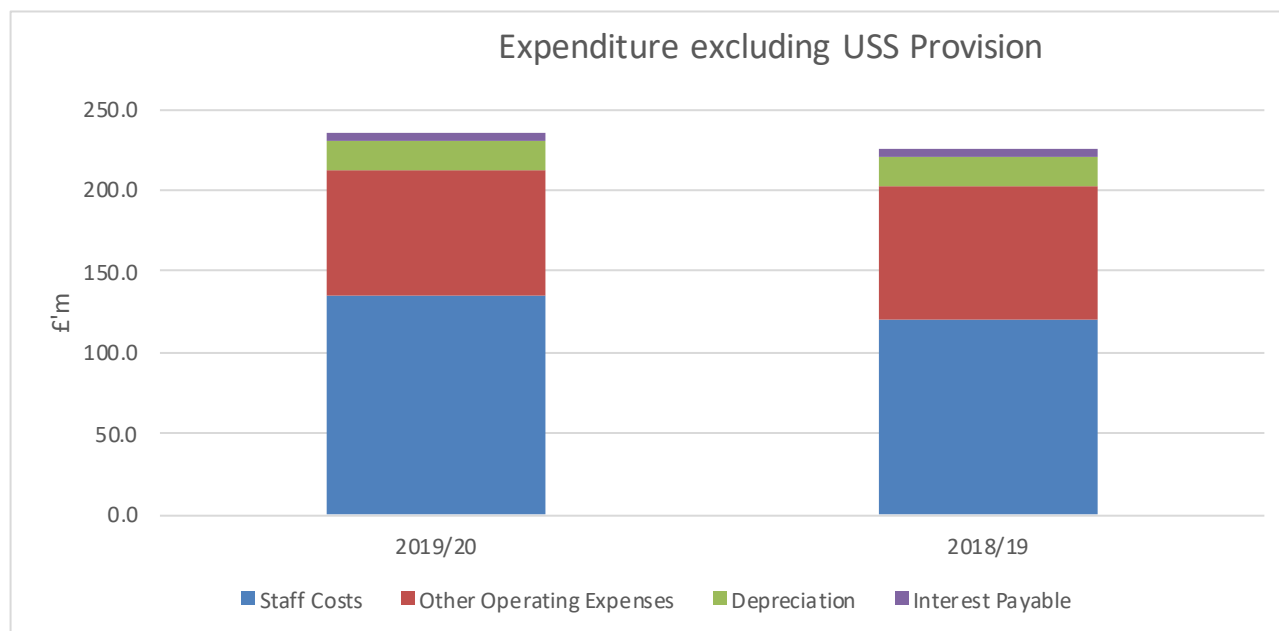
Tuition fees overall increased by £10.1 million, reflecting the increase in the number of students enrolled, while funding body grants were flat at £30.6 million.

Research grant income for 2019/ 20 was £3.1 million higher than in 2018/19 on a recognised income basis. Research income reflects the timing of work undertaken on research grants, as income is recognised in the financial statements over a period typically averaging three years.

Other income reduced by £6.0 million, or 12.4%. This consists of student residences income, conference, hotel, retail and also income from summer school activity for foreign language students on the campus. All categories were significantly impacted by the pandemic, including the decision by the University not to charge rent for accommodation for the final term.

“Total income for 2019/20 was £237.1 million, £7.3 million (3.2%) higher than in 2018/19.”

Expenditure



Excluding the pension adjustments detailed in the Operating Results paragraphs above, expenditure was £9.8 million (4.3%) higher than in 2018/19.

Excluding pension adjustments, staff costs of £135.0 million were £15.5 million (13.0%) higher than in 2018/19. The University has invested resources in its academic provision as its tuition fee income and student numbers have increased and has also targeted staff cost investment in its information technology provision and other support services.

Other operating expenses of £76.9 million were £5.6 million lower than in 2018/19, as the University made savings on discretionary expenditure as the impact of the Covid-19 pandemic became apparent.

Cash and debt

The University generated £11.9 million in cash from operating activities and ended the year with £57.5 million in cash and short term investments.

Under the University's Treasury Management policy, cash is deposited with financial institutions that have minimum Fitch ratings no lower than A- for long term investment (greater than 365 days), and F1 for short term investments for UK and European banks. Building societies must have a minimum rating of A-, F1 or total assets in excess of £1 billion. Under the policy, the University can also invest with AAA rated Money Market Funds.

The University has borrowings of £83.1 million (of which £1.7 million is due within one year) which is repayable over 20 years with a final payment of £27.2 million due in 2040. Borrowings have reduced by £1.6 million since July 2019. To mitigate interest rate fluctuations over that period, the University has a series of interest rate swap agreements, which result in a net interest rate on the long term loans of 4.8% throughout their term. The debt is secured against part of the University's property portfolio.

Endowment assets

The University endowment reserves total £1.6 million. All funds are held in cash and in line with the Treasury Policy, funds are invested with financial institutions with ratings as described above.

Capital expenditure

Capital expenditure totalled £7.9 million in 2019/20 (2018/19: £15.7 million), as we continue our planned programme of capital investment to address our strategic priorities. The University did halt its programme where possible, to preserve its cash reserves, as soon as the scale of the Covid-19 pandemic became apparent. Expenditure in 2019/20 included further design work in advance of the construction of the new Learning and Teaching Centre (LTC), and also on planned facilities for the Medical School and the Chemical Engineering programme. Essential student residence refurbishment work and

capital expenditure relating to cyber security information technology projects was also undertaken.

Principal risks and uncertainties

The University proactively manages the risks and opportunities it faces through its Executive Board, Audit Committee and Council. The University maintains a Strategic Risk Register which is reviewed every six months and a number of risks are identified as priorities. Each item on the risk register is assigned to a risk owner and an assessment is made of its likelihood and impact and mitigating actions. The risks are grouped into a number of categories: Academic Quality, Compliance and Legal, Reputation, Financial Sustainability, Infrastructure, Leadership Governance and Management, and Other.

The principal risks faced by the University are currently considered to be:

- the ongoing impact of Covid-19, with both its operational impact and the financial challenges it has presented;
- the ongoing changing external funding environment - in particular the impact of government policy, the financial impact of adverse REF and Teaching Excellence Framework (TEF) outcomes, the impact of Brexit, especially on student and staff recruitment and research grant income, plus legislative changes and compliance requirements that impact the ability to recruit overseas students;
- failure to maintain or enhance teaching and learning quality;
- a decline in research ranking through the 2021 Research Excellence Framework ('REF') assessment;
- the current heightened cyber security risks that have seen the higher education sector targeted; and
- generating sufficient cash to support the University's strategic goals.

Staff costs are the largest individual component of the University's expenditure. Brexit remains an ongoing risk with the continued uncertainty over its outcomes, including in relation to the future ability to recruit academic staff from abroad. Another challenge facing the University, along with many others, is the long-term position of the main UK university sector pension scheme, the Universities Superannuation Scheme (USS). The University has adopted the 2018 valuation of the USS scheme in these financial statements. The USS scheme is now working to conclude its next valuation, as at March 2020, and the University has participated in all the recent consultations about changes to the scheme and will contribute to all future consultations as scheme members seek to find an acceptable and sustainable long level of support for the scheme.

Financial sustainability

The University's financial strategy is designed to enable the University to fulfil its mission and to meet its strategic and operational objectives in a sustainable way. The University continues to plan for growth whilst managing the associated risks. The University undertakes regular financial planning reviews and scenario planning, including the likely impact of the developing sectoral changes, such as competition for students and research grants, the potential impact of Brexit and this year, the impact of Covid-19.

When the scale of the Covid-19 pandemic became clear in March the University immediately took a number of actions. These included enabling teaching and examinations to be delivered online, putting in place the services required to support our students online and additional services for those living in our accommodation, enabling staff to work from home and setting up the required protocols and processes to allow critical activities such as laboratory-based research to continue. From a financial perspective we entered a cash preservation mode, with actions that included stopping uncommitted capital expenditure, curtailing non-essential expenditure, only allowing critical staff recruitment, and using applicable government support mechanisms.

The University set up a Covid-19 Recovery Strategy Group to lead the development and implementation of a strategy to manage the University through the pandemic, ensure long term sustainability, protect the health and well-being of staff and students, ensure the operation of the University into the 2020/21 academic year and position Brunel for success in a new environment. It is led by the Vice Chancellor, and has also looked to ensure effective communication throughout all stages of the process.

A number of focused 'task and finish' subgroups were established to undertake the detailed work required to deliver the strategy across five areas: the transition from lockdown to business as usual, the delivery of educational provision in 2020-21, on-going financial sustainability, the academic portfolio and resource implications and providing on-going support to our staff to protect their health and well-being.

At all times the University response has been guided by Government advice and policy and public health guidelines as well as other requirements from Government Departments and the relevant public health bodies across both London and the London Borough of Hillingdon and other bodies such as the Office for Students. We continue to work closely with these groups and the other local bodies in our response.

The University has moved to dual delivery of learning, offering a parallel experience for students on-campus and online, giving staff flexibility to deliver teaching and students flexibility in how they access their learning. The University has made many changes to allow the campus

to operate in a Covid-19 secure manner and allow on-campus activities to continue in the 2020/21 academic year within restrictions and to enable changes should the local or national situation dictate.

The University undertook a number of financial planning scenarios with different assumptions for 2020/21 student recruitment. Alongside these, it set up a number of actions that could be taken in each scenario to enable it to maintain sufficient cash liquidity and continue as a going concern. The appropriate actions are now being enacted as the 2020/21 student recruitment position is clear.

In addition to Covid-19 the longer term financial challenges remain. Many of these have been highlighted in prior years. The University will review the developments in the longer term Government strategy as it impacts higher education and will look to deliver the opportunities it presents.

The impact of a number of years of ongoing flat UK undergraduate tuition fee levels per student has had a slowly increasing compound pressure on finances particularly whilst costs continue to rise faster than inflation. For example, in line with the sector, there are significant pressures on staff costs, with increased pension costs particularly for the USS (with possibly further increases to follow, subject to outcomes of negotiations and regulatory requirements), and the increases to the national sector pay scales.

The University is committed to maintaining its long-term financial sustainability and will take the required actions, which include growing income across a number of areas, looking to use its assets more effectively, particularly unused or underutilised assets, and targeting its expenditure more efficiently. The University has also set a minimum cash holding level to ensure that it maintains a sufficient cash liquidity buffer. The University considers that it is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

Future outlook

Whilst the challenges facing the University and the wider UK higher education sector cannot be underestimated, particularly with the Covid-19 pandemic that we are now working through, Brunel is in a sound financial position. The University has a major role in delivering economic and social recovery through the delivery of appropriately skilled individual and research which brings direct benefit to the communities we serve. We will be seeking to expand our portfolio as detailed in this Strategic Report to ensure we can support individuals seeking to upskill or reskill, and we have already put the framework in place with a new approach to Continuing Professional Development. We are seeking to grow our education exports by increasing the number of overseas students we recruit and expanding transnational education, in line with the Government's International Education Strategy.

The University continues to build upon the work undertaken in recent years, and is well positioned to address the changing political, social, economic and legislative environment that it faces. The University has the financial resources and flexibility to work through the impact of Covid-19 and can adapt to the changing national and global environments in order to achieve its key strategic goals, and deliver its mission to bring benefit to society through excellence in education, research and knowledge transfer.

Professor Julia Buckingham CBE
Vice Chancellor and President

“The University has the financial resources and flexibility to work through the impact of Covid-19 and can adapt to the changing national and global environments in order to achieve its key strategic goals, and deliver its mission to bring benefit to society through excellence in education, research and knowledge transfer.”

Statement and Report on the University's Charitable Purpose and Public Benefit Activities

Brunel University London is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 (formerly Schedule 2 of the Charities Act 1993). The Office for Students is the principal regulator of the University both as a Higher Education Institution and as a Charity. The University has no connected charities attached to it. The members of the Council of the University are the charity trustees of the University. The members of the Council of the University have had due regard to the Charity Commission guidance on public benefit, particularly in exercising the trustees' powers or duties, including the applicable details contained in the Advancement of Education for the Public Benefit.

The objects of the University are set out in its Royal Charter as being to advance learning and knowledge by teaching, scholarship and learning, and research and enterprise for the benefit of individuals and society at large. The members of Council are particularly concerned that the University should provide education such that students upon graduation are possessed not only of a range of academic learning but know also the relevance of that learning to society. This has been distilled into our mission statement:

To bring benefit to society through excellence in education, research and knowledge transfer

And our values:

We work to high ethical standards, and are transparent in our dealings and decisions

We treat everyone with dignity and respect; we all have the same opportunity to succeed

We are purposeful and agile in a changing world and work in innovative ways to achieve our goals

We always aim to achieve the best and we value and reward excellence

Access and participation

Brunel has an enviable reputation for both encouraging aspiration and providing high quality, research-led teaching to a very diverse student population. Enabling all students to realise their potential, irrespective of their social or cultural backgrounds, is important to us, and we aspire to be recognised across the world as an engine of social mobility.

Each year Brunel submits an access and participation plan to the Office for Students which sets out how the University will improve opportunities for students from underrepresented groups to access, succeed at, and progress from higher education. Our access and

participation plan is written in partnership with the Union of Brunel Students and outlines our ambition for change, targets, and our plan and investment strategy for delivering these objectives. The University's access and participation plans are available here: brunel.ac.uk/about/administration/access-and-participation/Access-and-Participation-Plan.

We are committed to robustly evaluating our activities to ensure that we are delivering meaningful and measurable impacts for our students and other stakeholders. In 2019/20 we completed the third year of our new comprehensive monitoring and evaluation process, which includes mid-year and end of year reviews, and we are beginning to see tangible outcomes. All projects have a clear theory of change supported by academic evidence, and have a structured evaluation plan, increasing our ability to deliver and share demonstrable results. We are actively engaged in improving the sector's practice and evidence base, with projects sharing their work across a variety of networks and conferences. A particular highlight this year was the Brunel Summer Internship Programme winning The National Undergraduate Employability Awards 2020 Best Widening Participation Initiative.

Examples of activities and projects aimed at achieving success for all include:

Access to HE

Aim: To increase the entry rates of students from underrepresented groups to higher education.

Brunel attracts a diverse student body, with 81% of the Home/EU population falling into one or more of the following categories: low household income; POLAR quintile 1; Black, Asian, Minority Ethnic; mature; disabled; and care leavers. The proportion of mature entrants (10%) and students from lowest-participation neighbourhoods (4.03% from POLAR quintile 1) are relatively low, and we are actively working to increase our engagement with these groups.

Brunel's outreach activities in 2019/20 targeted students from underrepresented groups with particular emphasis on students living in low participation neighbourhoods, mature students and care-leavers. In 2019/20, the Widening Access team engaged with 14,598 students (an increase of 50.8% from the previous year). Of these, 2,208 were through events on campus, 1,277 through virtual events, and 11,113 through off campus events. Activities on campus included:

- Higher Education awareness visits (Year 6 - Year 13)
- Master classes (Year 11 - Year 13)

- Subject taster days (Year 6 - Year 13)
- Summer schools (Year 8 - Year 13)
- Careers fairs (Year 10)

Activities provided in schools, colleges and community organisations included:

- Talks for students, parents and community groups around different aspects of higher education, including applying to university, student finance and personal statements
- Attendance at parents and options evenings
- Attendance at careers events and HE awareness events, including running workshops
- Support for regional initiatives
- Collaborative events

In line with our commitment to care leavers for which we were awarded the Buttle UK Quality Mark, the University has continued to strengthen its work with care leavers. A dedicated Widening Access Officer works collaboratively with the London Borough of Hillingdon Looked After Children (LAC) and Leaving Care Service. We work in partnership to listen to care leavers and develop programmes that work for young people. As part of this we deliver a number of annual events, including a LAC residential on campus, and support events such as Hillingdon's Stepping Out programme where our care leaver Student Ambassadors attend to discuss key challenges and improvements. Our work with virtual schools, including Redbridge, Bucks, Ealing and Croydon, continues to take place with a steady increase of interest from other virtual schools. In 2019/20 we became members of the National Network for the Education of Care Leavers (NNECL).

The University also works to raise attainment in schools. The Urban Scholars programme is focussed specifically on providing enriched learning experiences for gifted and talented students aged 12 -18 years, from the Greater London area. The students, from socially deprived areas and in receipt of free school meals, are selected on the basis of their academic talent or the potential to achieve highly, which is nurtured at monthly Saturday sessions at Brunel University London. Scholars respond positively to the programme, not only by demonstrating higher academic success and orientation towards university education, but also by acquiring a greater level of self-confidence, resilience and a capacity for rational thinking. Case studies of past scholars indicate that the programme has had a great impact on their lives and aspirations.

The Brunel Young Scholars scheme hopes to stir the 'missing ingredient' into primary education by supplying parents of children receiving Pupil Premium with materials designed to help them identify and hone their child's individual talents and boost their learning potential and wellbeing. Parents are provided with materials which help them recognise and nurture their child's talents and passions, including an activity book covering topics

such as raising aspirations, setting up home projects and developing critical thinking.

"In line with our commitment to care leavers for which we were awarded the Buttle UK Quality Mark, the University has continued to strengthen its work with care leavers. A dedicated Widening Access Officer works collaboratively with the London Borough of Hillingdon Looked After Children (LAC) and Leaving Care Service. We work in partnership to listen to care leavers and develop programmes that work for young people."

Success in HE

Aim: To reduce the non-continuation rates (commonly known as 'drop-out rates') and awarding gaps between students from underrepresented groups.

Brunel's non-continuation rates overall compare favourably with the sector but our ambition is to close institutional gaps in attrition and attainment, particularly for Black and BTEC students, and build on current support for care leavers and mature students. Activity to support this in 2019/20 included a number of high profile projects in addition to expansion of our ongoing work to support all students.

The Student Success Project aims to deliver success for all students as measured by attainment (degree outcome) and retention rates. The project was initiated as a result of analysis showing that there is a significant difference in degree outcomes for students with different characteristics, with the greatest gap between students of black and white ethnic backgrounds. We have committed in our Access and Participation Plan to halving the awarding gap between black and white students by 2024/25 from a baseline of 15% in 2017/18. In 2019/20 a review of the Student Success Project recommended a focus on anti-racism and the embedding of the various strands of project work into a wider university anti-racism strategy. A working group will take this forward in 2020/21.

The Mental Health Project aims to provide a wide variety of interventions to support our students. These include:

- improving the engagement with student support services by students from underrepresented groups
- the Brunel Buddies Scheme
- increasing the facility of providing specific disability benefit support
- providing alternative therapies to reduce stress
- offering subsidised gym membership to move inactive students into physical exercise
- running a number of counselling workshops to assist students with a variety of needs

We are evaluating the impact of the various interventions in order to ensure that the most valuable aspects of the project are taken forward.

In 2019/20 a dedicated Student Support and Welfare Officer was appointed to provide support for care leavers, estranged students, mature students, young carers and refugees. Support includes one to one appointments for support and advice, access to long-term loan laptops, emergency summer accommodation funding, support groups, social events and access to book vouchers.

“We have committed in our Access and Participation Plan to halving the awarding gap between black and white students by 2024/25 from a baseline of 15% in 2017/18. In 2019/20 a review of the Student Success Project recommended a focus on anti-racism and the embedding of the various strands of project work into a wider university anti-racism strategy. A working group will take this forward in 2020/21.”

Progression to employment and further study

Aim: To improve the rates of progression of students from underrepresented groups into graduate-level employment or further study, and to reduce the gaps between these groups and other students.

Activity to support the retention and employability of students from underrepresented groups during 2019/20 included the continuation of the Brunel Summer Internship Programme, with 209 students completing a programme of employability workshops and more than 70 students successfully completing summer internships. The work of the project was heavily disrupted due to Covid-19 but engagement remained high and work is ongoing to secure further internships. An independent evaluation concluded that the scheme had positive outcomes for student employability, skills development and academic study.

The first year of Graduate Outcomes data, a survey 15 months after graduation, is now available for our 2018-19 graduates and replaces the previous Destination of Leavers Higher Education (“DLHE”) survey which surveyed students six months after graduation. During 2020/21 we will undertake a review of progress against our progression targets using Graduate Outcomes data and refocus our targets as necessary.

The Brunel Professional Mentoring Programme continued to run in 2019/20. The programme includes face-to-face and e-mentoring for second and third year undergraduates from under-represented backgrounds. Additionally, the Ethnic Minority Undergraduate Scheme

targets students from ethnic minority backgrounds and is managed in collaboration with the National Mentoring Consortium (NMC). All strands draw on experienced individuals from employers in the private and public sectors to serve as mentors. There were 285 matched mentoring pairs in 2019/20 (an increase of 60% from the previous year). In recent years the scheme has expanded to include mini internships and other career development events such as practice video interviews and mock group assessments. Over 40 employers currently support the scheme including, the Foreign and Commonwealth Office, Blake Morgan LLP, GlaxoSmithKline, HM Revenue & Customs, Jaguar Land Rover, PricewaterhouseCoopers, Government Legal Service and Brunel University London.

Following a successful pilot year, the Kickstart project ran successfully in 2019/20. The aim of the programme is to contact recent graduates from a targeted group of under-represented students 8-12 months after graduation and to offer them the opportunity to receive further intensive support, advice and coaching to help them either to gain employment or improve their employment prospects. The focus was on support aspects of the job search such as CV writing, interview techniques etc and crucially to develop confidence in those graduates possibly discouraged or jaded after a number of months still not in graduate roles. An additional element introduced for 2019/20 was to develop and provide opportunities for these graduates to gain professional experience, additional skills, and a knowledge of the workplace by offering 20 paid graduate internships.

Bursaries and student financial support

The University offers bursaries, fee waivers and financial support to a wide range of students of limited financial means from different backgrounds and with different talents, and introduced over 400 new undergraduate scholarships for Home, EU and International students in 2019/20. A similar number of students will benefit in 2020/21.

In addition to this assistance, there is a range of postgraduate scholarships, studentships and bursaries for both masters and doctoral students. The full range of financial assistance available to students is publicised on the University's external and internal websites.

Brunel Volunteers

Brunel Volunteers is a department which sits within our Professional Development Centre and works with charities, community groups and organisations to facilitate volunteering opportunities for students and staff to engage within the local and wider community. The opportunities offered not only support charities, not-for-profit organisations and community projects, they help students to build skills relevant to future employment and explore different career paths before entering the graduate recruitment market.

In 2019/20 Brunel Volunteers worked with 70 external organisations which enabled 580 Brunel students to complete 15,384 volunteering hours.

The department has assisted with a number of key community volunteering activities in Hillingdon and beyond. These include: foodbank initiatives for Hillingdon Foodbank, Pield Heath House School events, Yiewsley & West Drayton Community Centre Tea Dance/Christmas events, London Borough of Hillingdon Christmas Extravaganza and Barclays Bank Charity Christmas wrapping.

Numerous on-campus volunteering activities were organised and activities supported. Peer to peer support was offered to new students via the Brunel Buddies

scheme. In total 334 new students received support from 162 Brunel Buddy volunteers. Thirteen local Hillingdon charities attended the Brunel Volunteers' Giving Tuesday event in November 2019 and attracted a staff and student audience of 340.

Good Deeds Day, a Brunel and Uxbridge College partnership event, took place in February 2020 and 76 Brunel students volunteered their time to deliver numerous 'good deeds' within the local Uxbridge/Hillingdon area. Good Deeds Day is supported within the local community by Pavilions – Uxbridge, INTU Uxbridge and LOVE Uxbridge and fundraises for The Mayor of Hillingdon's Charitable Trust.



Corporate Governance Report

The following report is provided to enable readers of these Financial Statements to obtain an understanding of the University's governance and legal structure. The report is applicable for the financial year to 31 July 2020, and for the period extending to the date of signature of these financial statements.

The University is a corporation formed by Royal Charter with charitable status. The Charter and Statutes require the University to have two separate bodies, the Council and the Senate, each with clearly defined functions and responsibilities, to oversee and manage its activities. The University has also constituted its Court, which does not have any legal or other powers in respect of the University. The role and effectiveness of Court was reviewed in 2009, and Council agreed that its role should continue as the body through which the University maintains influential contact with the wider community.

The Council is the governing body of the institution and in exercising its role and powers undertakes to meet the obligations placed upon the institution by the founding Charter of the University and on its members as Charity Trustees. This establishes the University as both a teaching and learning institution providing education in various branches of scholarship as determined by the University and also as an institution making provision for research and dissemination of knowledge. Council is responsible for setting the strategic direction of the University, and for the finance, property, investments and general business of the University and is required to present audited financial statements for each financial year. Council has responsibility for ensuring the appropriate processes are in place, and being followed, to maintain and improve the academic standards of the University.

The Conditions of Registration (specifically Condition E3) of the Office for Students (OfS) require that Council:

- accepts responsibility for the interactions between the University and the OfS and its designated bodies;
- ensures the University's compliance with all of its conditions of registration and with the OfS's accounts direction; and
- nominates to the OfS a senior officer as the 'accountable officer' who has the responsibilities set out by the OfS for an accountable officer from time to time. The Vice-Chancellor and President is the accountable officer of the University.

Council approves major developments and receives regular reports from the Executive Officers on the day to day operations of its business and its subsidiaries. Its objects, powers and framework of governance are set out in the Charter and the supporting Statutes. The versions

applicable in 2019/20 were approved by the Privy Council in July 2014.

In 2019/20, the matters specifically reserved to the Council for decision were set out in the University's Supplemental Charter and the Ordinances. Like most public bodies it operates within a strong framework of regulation, and endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership). Council has a majority of members from outside the University (described as independent members), from whom its chair and deputy chair must be drawn. Members also include representatives of the staff of the University and the student body. None of the independent members receives any payment, apart from the reimbursement of expenses, for the work they do for the University. Not only does the University comply with all mandatory requirements, but it also strives to operate in accordance with relevant best practice and accordingly, the Council has taken account of the UK Corporate Governance Code, and the OfS Accounts Direction requirements. The University agreed in principle to adopt the Committee of University Chairs (CUC) Higher Education Code of Governance 2014 (the Code) at its meeting of Council on 29 January 2015. The Code was revised in June 2018.

The Senate is the academic authority of the University, as delegated by Council, and draws its membership entirely from the academic staff and the students of the University. The Senate, subject to the Statutes and Ordinances, oversees the academic standards of the University and the regulation of academic matters.

The principal academic and administrative officer of the University is the Vice-Chancellor and President, who has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University. The role of Chair of Council is separated from the role of the University's Chief Executive, the Vice-Chancellor and President.

As Chief Executive of the University, the Vice-Chancellor and President exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments, and shaping of the institutional ethos. The Executive Board including the senior administrative officers all contribute in various ways to these aspects of the work, but the ultimate responsibility for what is done rests with the Council. Council is kept informed of the key decisions and discussions of the Executive Board through the Vice-Chancellor's Report which is also given to the University's Senate meetings.

The University maintains a register of interests of members of the Council and senior officers which may be consulted by arrangement with the University's Secretary to Council.

The statutes of the University specify that there shall be a Secretary to Council, who shall be appointed by the Council. The Secretary shall be responsible to the Council. Any enquiries about the constitution and governance of the University should be addressed to the Secretary to Council.

The Council met five times in the 2019/20 academic year. There are several Committees of Council that are formally constituted with written terms of reference and specified membership, including a significant proportion of independent members, from whom the chair is selected. In the case of the Audit Committee, it is entirely composed of independent members appointed by Council from amongst its members, and co-opted independent members appointed by Council. The Chair of Council is ex-officio on all Council and Joint Committees, except the Audit Committee.

In respect of its strategic and development responsibilities, Council receives recommendations and advice from the Executive Board.

The Finance Committee supervises all matters relating to the finance, accounts and financial regulations of the University, the investment of its funds, the receipt of its income and the expenditure thereof, and the management of its borrowings. The Finance Committee reports to Council.

The Nominations Committee, in its recommendations to Council, seeks to ensure diversity, breadth and continuity of expertise amongst the membership of Council. It also undertakes succession planning with respect to the membership, leadership of committees and advice on governance.

The Remunerations Committee reviews and determines the salary and conditions of service of the Vice-Chancellor and her direct reports and the severance arrangements of higher paid staff as defined from time to time in the Accounts Direction made by the OfS. It also receives a report from the Vice-Chancellor on the performance of the senior management team. The Remuneration Committee Report for 2019-20 is set out in the next section of these financial statements, starting at page 28.

The Audit Committee meets at least three times a year to consider reports from the External and Internal Auditors containing recommendations for the improvement of the University's systems of risk management and internal control and the management's responses and implementation progress. Whilst executive officers attend meetings of the Audit Committee as necessary, they are not members of the Committee. The Committee meets with the External Auditors and the Internal Auditor on their own for independent discussions at least annually.

The Committee and Internal Auditor each present an Annual Report to Council. It is the Audit Committee that formally recommends the annual audited accounts to Council.

Council also appoints members to joint committees with Senate such as the Honorary Degrees Committee. This committee is formally constituted with terms of reference and includes three independent members of Council.

The Ethics Advisory Committee exists to support Council and the University in ensuring that the aims and objectives of the Ethical Framework are fulfilled and is charged with responsibility for considering ethical matters referred to it by Council, Senate, the Vice Chancellor, the Executive or any other Committee or body within the University.

Day-to-day management of the University is conducted through the Executive Board. The Executive Board normally meets monthly to consider the strategic and financial direction of the University.

The attendance record for members of Council and its Committees was monitored over the course of the year and the average attendance in 2019/20 was around 89%.

The University's Council is responsible for the University's system of internal control and for reviewing its effectiveness. The system has operated effectively for the financial year to 31 July 2020, and for the period extending to the date of signature of these financial statements. It has established the processes to comply with the direction from the Regulator for the identification, evaluation and management of the key risks facing the University. The Council has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibility assigned to the Council in the Charter and Statutes. Such a system is designed to manage, rather than eliminate the risk of failure to achieve business, operational, compliance and financial objectives, and it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks, and to manage them efficiently, effectively and economically.

The University benefits from the use of both external and internal audit functions with regard to the internal control environment. They perform different, complementary roles within the assurance framework and both are essential for the effective governance of the University. They report separately to the Finance and Audit Committees as well as to the University's Council. The external audit process helps to ensure that the internal controls, processes, guidelines and policies are adequate, effective and in compliance with regulatory requirements,

and also ensures that reporting mechanisms prevent errors in financial statements. The internal audit function provides Council members and the Executive Board with assurance over the internal control environment that they can use to fulfil their own duties. Internal audit provides an objective and independent assurance, providing reasonable (not absolute) assurance of the overall effectiveness of governance, risk management and controls. Both functions assist the University to manage its resources efficiently, effectively and economically, and therefore to deliver value for money.

Despite the need to preserve their independence and objectivity, internal and external audit should maintain a close, constructive relationship. This is to ensure their work is coordinated and there is an efficient use of resources.

The Council has adopted a risk management policy, and has identified where the principal management responsibility rests for risk management. The Council is of the view that an ongoing process for identifying, evaluating and managing the University's significant risks has been in place, and operating effectively, since 31 July 2003.

The internal auditor also provides Council with an independent opinion each year on the adequacy and effectiveness of the University's risk management, control and governance processes. The Council has ensured that the meeting calendar enables risk management and internal control to be considered on a regular basis during the year.

Remunerations Committee Report

Introduction

This is the annual report of the Remunerations Committee for the academic year to 31 July 2020 which describes its role, remit, membership and sets out the work it undertook and how it discharged its responsibilities. It sets out the decisions taken by the Committee in respect of the remuneration of the Vice-Chancellor and President and senior roles falling within its remit.

Context

Senior pay in universities has continued to be a sensitive issue both within the sector, politically and publicly through press attention to the topic. The Remunerations Committee seeks to comply with the obligations set out by the Committee of University Chairs (CUC) and the Office for Students, to follow any guidance they might issue and demonstrate good practice. Decisions in relation to the remuneration of existing staff for 2019/20 were made early in the year in line with the normal review timetables and therefore do not reflect the financial difficulties that might face the University as a consequence of the SARS-COV2 pandemic. At that time there remained significant competition for high caliber academic and professional staff with the Committee having to balance affordability, value for money and justifiable levels of pay with the need to secure the leadership talent the University needs to succeed and achieve its strategic objectives.

Remit and membership

The terms of reference for the Committee concern the remuneration of the Vice Chancellor and her direct reports, severance decisions above a threshold, broader remits to review salary increases for professors and senior managers and to consider reward schemes in the institution. The terms of reference are available here: brunel.ac.uk/about/documents/pdf/co05.pdf.

The Committee's members were:

Mr Peter Teague (Chair), Independent member of Council

Ms Lucinda Hunt, Deputy Chair of Council & Independent member of Council

Professor Mike Spyer, Chair of Council

Dr Kevin Thomas, Independent member of Council

Mr Praveen Kanakamedala, Independent member of Council (until 28 February 2020)

Mr Mukhtar Ahmed, Independent member of Council from 1 November 2019

The Secretary to the Committee until 31 May 20 was Jilly Court (Secretary to the Council) and from 1 June 2020, Rex Knight (Interim Secretary to Council).

Meetings were also attended by Jane Drysdale (Director of Human Resources) until January 2020, Gemma Bailey (Deputy Director of Human Resources), Anne McNeil (Governance Administrator), Hayley Weaver (Personal Assistant to the Human Resources Director) and Peter Smith (Senior Client Partner at Korn Ferry and independent adviser to the Committee) until 31 July 2020. No Committee member or attendee was present during discussion of their own remuneration.

The Vice Chancellor was present for matters other than her own pay and expenses and the Provost and the Chief Financial Officer attended discussions where their expertise and input was required.

Scope of the Remunerations Committee

The roles whose remuneration was the direct responsibility of the Committee in 2019/20, can be found at Annex A, and include all staff whose total remuneration (excluding pension contributions) is £150,000 or more. The Committee receives from the Vice Chancellor and President reports on the performance of the individuals concerned together with recommendations for the review of their remuneration which inform the Committee's decisions.

Reward strategy and policies

The Committee has a documented approach to reward and recognition for the senior roles which is available on request. This refers to the need to attract, engage and retain high performing leaders and to ensure value for money. It also sets out the factors which are considered in setting and reviewing remuneration.

These include:

- The scale and nature of the institution and the challenges of the role;
- Information about the remuneration of similar roles in other, comparable institutions;
- The general salary increases for the sector;
- The performance of the individual and the institution in the year;
- The relationship between the pay of senior staff and the median for the institution; and
- Affordability.

Benchmarking

For all roles in its remit, the Committee took account of information on pay for comparable roles in other universities of similar size and type. This information is drawn from the annual survey of senior staff produced by the Universities and Colleges Employers Association (UCEA).

The composition of the comparator group is subject to regular review and will be reconsidered in 2020/21.

Meetings in 2019/20

The Committee held four scheduled meetings during the year, on 13 September 2019, 30 October 2019, 30 January 2021 and 16 June 2020. Two extraordinary general meetings were held on 5 September 2019 and 27 April 2020.

The agendas included:

- Decisions on the pay of roles within the Committee's remit.
- Agreeing the content of the annual remuneration report.
- Considering and approving:
 - The annual report on the gender and ethnicity pay gap.
 - Base Pay and PRP Framework.
 - An update to the reward policy for all staff.
- Receiving and commenting on updates concerning:
 - Sector developments in pay and remuneration governance.
 - Review of Reward Strategy and Policy.
 - HR Proposals to Support Covid-19 Recovery Strategy.
- In addition, both at the scheduled meetings and at several additional meetings convened for the purpose, the Committee received updates about and agreed the University's response to consultations via Universities UK concerning the USS pension scheme.

Remuneration of the Vice Chancellor and President

At the start of the year, the Vice Chancellor's salary was £310,000. This reflected decisions which had been taken since her appointment having regard to assessments of her performance and that of the University.

At the meetings on 13 September and 30 October 2019, the Committee reviewed the remuneration of the Vice Chancellor for the year 2019/20. The Chair of Council had:

- Assessed the Vice Chancellor's performance against her objectives for the year; and

- Taken account of the University's development internally – including its readiness to respond to challenges and risks as well as its performance against the main indicators – and its positioning externally.

The Committee took account of salary and total remuneration benchmarking data and of information on the ratio between the Vice Chancellor's remuneration and that of staff at Brunel, and how that compared to the sector.

The Committee viewed the overall performance of the Vice Chancellor positively. It agreed to recognise this with a base salary increase of 1.8% i.e. £5,580 per annum but determined that it would be inappropriate to pay a bonus in relation to performance in 2018/19.

The elements of the Vice Chancellor's remuneration for the year 2019/20 were:

Salary	£315,580
Benefits	£7,295
Total	£322,875

Note that the Vice Chancellor does not receive a full pension contribution (only the life assurance element) and does not have the use of any property.

The Vice Chancellor's salary was 7.2 times the median for all staff (2018/19: 7.4); the total remuneration was 6.7 times the median for all staff (2018/19: 6.7). For comparison, the median salary ratio for the sector last year was 7.3 (2018/19: 7.3); the median ratio for the sector for total remuneration was 7.7 (2018/19: 7.7).

It is important to note that sector figures are not yet compiled on a fully consistent basis, so there might be some adjustments to this comparative picture over time.

The responsibilities of the Vice Chancellor include:

- Working with Council to set and communicate strategy.
- Shaping the organisation, its culture and performance to ensure it can deliver that strategy.
- Ensuring delivery of plans and targets – in terms of educational quality, student experience, research profile, staff engagement, financial resilience, reputation etc.
- Managing relationships with critical stakeholders and partners, to advance Brunel's mission and strategy.

In addition, Council expects and encourages the Vice Chancellor to take a leading role in sector debates and fora nationally and to engage with and represent the University to stakeholders and partners in the UK and internationally.

These responsibilities must be discharged in the context of an organisation of some scale, complexity, distinctiveness, diversity and international reach.

The University was founded in 1966 to provide education and research linked to industry, to equip students for the world of work and to address society's challenges. It was to be and is a home of technological education, championing innovation and advancement and giving the UK the knowledge base it needed to compete on the international stage.

The University now has more than 14,000 students. Over 3,000 are postgraduates and more than 2,300 come from outside the UK and EU. Income is £236 million, with c10% of it from research. There are c3,000 staff. Teaching and research are enhanced and sustained by international as well as UK funding and by strong international partnerships with institutions in Brazil, the Middle East, China and South East Asia.

The Remunerations Committee sets pay for the Vice Chancellor taking account of the nature of the role and the institution as described above, but also performance. Many of the performance indicators are linked to the 2030 Strategy (brunel.ac.uk/about/brunel-2030), which has five themes:

- a. Education and the student experience
- b. Research
- c. The University community
- d. The campus and the local community
- e. Global impact

The University continues to make progress against the milestones set for all these themes.

In addition, the Vice Chancellor is expected to: develop and lead the institution to be financially sustainable; enhance the capability and performance of the leadership team; and represent the University in sector networks and organisations, to partners and stakeholders. Achievements in all these areas inform the judgement of performance.

The Vice Chancellor's salary is at the upper end – but not the top – of the benchmark group, reflecting her experience and track record of achievement in leading the University. Her total remuneration is around the middle of the benchmark group, because – unlike most others – she does not take a full pension contribution (or cash in lieu) and does not have University accommodation.

The Remunerations Committee believes that the remuneration of the Vice Chancellor is fully justified, taking account of the scale and nature of the institution, the challenges of the role, benchmarking information and performance over time.

Annex A:

The Senior Leadership Team and members of the Executive Board

Vice Chancellor & President

Provost

Vice-Provost, Research

Vice-Provost, Students, Staff and Civic Engagement

Vice-Provost, Education

Vice Provost, International and Academic Partnerships

Vice-Provost and Dean of College (College of Engineering, Design and Physical Sciences - CEDPS)

Vice Provost and Dean of College (College of Business, Arts and Social Sciences - CBASS)

Vice-Provost and Dean of College (College of Health, Medicine and Life Sciences - CHMLS)

Chief Finance Officer

Chief Operating Officer

Chief Business & Innovation Officer

Director of Human Resources

Director of Communications, Marketing & Student Recruitment (Chief Student and Staff Officer from 1st July 2020)

Director of Planning

Principal Strategic Advisor to the Vice Chancellor

Registrar

Statement of Primary Responsibilities of the University Council

The principal responsibilities of the Council are as follows:

- 1.1 To make a contribution to and approve the mission, vision and strategic direction of the University. Subject to consultation with Senate on matters with implications for academic policy, to approve the long term academic and business plans and key performance indicators and to ensure that these meet the interests of the stakeholders and are compliant with the charitable objectives of the University.
- 1.2 To delegate authority to the Vice-Chancellor and President, as chief executive, for the academic, corporate, financial, estate and personnel management of the institution.
- 1.3 To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment.
- 1.4 To ensure the establishment and monitoring of procedures for handling internal grievances and for managing conflicts of interest.
- 1.5 To ensure processes are in place to monitor and evaluate the performance and effectiveness of the University against the plans and approved key performance indicators, which should be appropriately benchmarked against other comparable institutions.
- 1.6 To establish processes to monitor and evaluate the performance and effectiveness of the Council itself.
- 1.7 To safeguard and promote the good name and values of the University, embracing the principles of corporate social responsibility.
- 1.8 To appoint the Vice-Chancellor and President as chief executive, to put in place suitable arrangements for monitoring his/her performance and, where deemed necessary, having responsibility to commence any disciplinary measures it considers appropriate including dismissal.
- 1.9 To appoint a secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
- 1.10 To be the employing authority for all staff in the University, to have regard for their well-being and for establishing a human resources strategy.
- 1.11 To be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements, to have overall responsibility for the University's assets, property and estate and to comply with the requirements of the sector regulators as defined periodically.
- 1.12 To be the University's legal authority and, as such, to ensure that systems are in place for meeting the University's legal obligations, including those arising from contracts and other legal commitments made in the name of Brunel University London.
- 1.13 To make such provision as it thinks fit for the general welfare of students, in consultation with the Senate.
- 1.14 To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University.
- 1.15 To ensure that the University's constitution (as laid down in the Charter and Statutes) is followed at all times and that appropriate advice is available to enable this to happen.

Council's Responsibilities for the Financial Statements

The Council is responsible for preparing the financial statements in accordance with the University's Royal Charter, the requirements of the Office for Students' Terms and conditions of funding for higher education institutions, the terms and conditions of UK Research and Innovation (including Research England), and applicable law and regulations.

The Council is required to prepare group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students. The Council is required to prepare financial statements which give a true and fair view of the state of affairs of the group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period.

In preparing each of the group and parent University financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent University or to cease operations, or have no realistic alternative but to do so.

The Council is responsible for keeping proper accounts and proper records in relation to the accounts. The Council is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Council is also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students and UK Research and Innovation have been applied in accordance with the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the university's resources and expenditure.

The Council is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Council of Brunel University London

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Brunel University London ("the University") for the year ended 31 July 2020 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Balance Sheet, the Consolidated and University Statement of Changes in Reserves, and the Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2020, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education; and
- meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Council has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the University or to cease their operations, and as they have concluded that the Group and the University's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Council's conclusions, we considered the inherent risks to the Group's business model, and analysed how those risks might affect the Group and the University's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the University will continue in operation.

Other information

The Council is responsible for the other information, which comprises the Strategic Report and the Corporate Governance Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Council responsibilities

As explained more fully in their statement set out on page 32, the Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [frc.org.uk/auditorsresponsibilities](https://www.frc.org.uk/auditorsresponsibilities).

Report on other Legal and Regulatory Requirements

We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the University's Statutes; and
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions.

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in note 7 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in note 3a to the financial statements has been materially misstated.

We have nothing to report in these respects.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Council, in accordance with the Charter, Statutes and Ordinances of the institution. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Council for our audit work, for this report, or for the opinions we have formed.

Dean Gibbs
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

26 November 2020

Consolidated and University Statement of Comprehensive Income and Expenditure

	Notes	Year ended 31 July 2020		Year ended 31 July 2019	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Income					
Tuition fees and education contracts	1	138,053	138,053	127,967	127,967
Funding body grants	2	30,381	30,381	30,415	30,415
Research grants and contracts	3	26,111	26,111	22,962	22,962
Other income	4	41,845	41,778	47,783	47,678
Investment income	5	408	408	442	442
Donations and endowments	6	286	286	184	184
Total income		237,084	237,017	229,753	229,648
Expenditure					
Staff costs	7	135,956	135,913	121,707	121,638
Movement in USS Deficit Recovery Provision	7&8	(21,268)	(21,268)	34,175	34,175
Other operating expenses		76,935	76,791	82,558	82,521
Depreciation and amortisation	11&12	18,849	18,849	18,323	18,323
Interest and other finance costs	8	5,184	5,184	5,406	5,406
Total expenditure		215,656	215,469	262,169	262,063
Surplus / (Deficit) before tax		21,428	21,548	(32,416)	(32,415)
Taxation	10	0	0	0	0
Surplus / (Deficit) for the year		21,428	21,548	(32,416)	(32,415)
Actuarial (loss) in respect of pension schemes	30	(18,472)	(18,472)	(2,845)	(2,845)
Change in fair value of hedging financial Instruments	18	(7,115)	(7,115)	(9,365)	(9,365)
Total comprehensive (deficit) for the year		(4,159)	(4,039)	(44,626)	(44,625)
Represented by					
Endowment comprehensive income for the year		4	4	(10)	(10)
Restricted comprehensive income for the year		8	8	20	20
Unrestricted comprehensive income for the year		(4,171)	(4,051)	(44,636)	(44,635)
		(4,159)	(4,039)	(44,626)	(44,625)
Surplus / (Deficit) for the year attributable to:					
University (100%)		21,428	21,548	(32,416)	(32,415)
Total Comprehensive (deficit) for the year attributable to					
University (100%)		(4,159)	(4,039)	(44,626)	(44,625)

All items of income and expenditure relate to continuing activities. The accompanying notes form part of these financial statements.

Consolidated and University Statement of Changes in Reserves

Consolidated	Endowment £'000	Income and expenditure account Restricted £'000	Unrestricted £'000	Cashflow Hedge Reserve		Total
				£'000	£'000	
Balance at 1 August 2018	1,578	155	242,506	(37,425)		206,814
Surplus / (deficit) from the income and expenditure statement	(10)	20	(32,426)	0		(32,416)
Other comprehensive income	0	0	(2,845)	0		(2,845)
Movement in hedge reserve	0	0	0	(9,365)		(9,365)
Movement in 2018-19	(10)	20	(35,271)	(9,365)		(44,626)
Balance at 1 August 2019	1,568	175	207,235	(46,790)		162,188
Surplus / (deficit) from the income and expenditure statement	4	8	21,416	0		21,428
Other comprehensive income / (expenditure)	0	0	(18,472)	0		(18,472)
Movement in hedge reserve	0	0	0	(7,115)		(7,115)
Total comprehensive income / (expenditure) for the year	4	8	2,944	(7,115)		(4,159)
Other Reserves Movement	0	0	15	0		15
Balance at 31 July 2020	1,572	183	210,194	(53,905)		158,044
University						
	Endowment £'000	Income and expenditure account Restricted £'000	Unrestricted £'000	Cashflow Hedge Reserve		Total
				£'000	£'000	
Balance at 1 August 2018	1,578	155	242,394	(37,425)		206,702
Surplus / (deficit) from the income and expenditure statement	(10)	20	(32,425)	0		(32,415)
Other comprehensive income	0	0	(2,845)	0		(2,845)
Movement in hedge reserve	0	0	0	(9,365)		(9,365)
Movement in 2018-19	(10)	20	(35,270)	(9,365)		(44,625)
Balance at 1 August 2019	1,568	175	207,124	(46,790)		162,077
Surplus / (deficit) from the income and expenditure statement	4	8	21,536	0		21,548
Other comprehensive income / (expenditure)	0	0	(18,472)	0		(18,472)
Movement in hedge reserve	0	0	0	(7,115)		(7,115)
Total comprehensive income / (expenditure) for the year	4	8	3,064	(7,115)		(4,039)
Balance at 31 July 2020	1,572	183	210,188	(53,905)		158,038

The accompanying notes form part of these financial statements.

Consolidated and University Balance Sheet

		As at 31 July 2020		As at 31 July 2019	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Intangible Assets	11	94	94	118	118
Tangible assets	12	411,013	411,013	422,274	422,274
Investments	13	33	33	151	33
		411,140	411,140	422,543	422,425
Current assets					
Stock	14	175	175	174	174
Trade and other receivables	15	29,818	29,815	26,304	26,258
Investments	16	17,000	17,000	27,000	27,000
Cash and cash equivalents	23	40,458	40,448	28,840	28,830
		87,451	87,438	82,318	82,262
Less: Creditors: amounts falling due within one year	17	(59,647)	(59,640)	(60,766)	(60,703)
Net current assets		27,804	27,798	21,552	21,559
Total assets less current liabilities		438,944	438,938	444,095	443,984
Creditors: amounts falling due after More than one year	19	(168,779)	(168,779)	(171,412)	(171,412)
Provisions					
Pension provisions	20	(112,121)	(112,121)	(110,495)	(110,495)
Total net assets		158,044	158,038	162,188	162,077
Restricted Reserves					
Income and expenditure reserve – endowment reserve	21	1,572	1,572	1,568	1,568
Income and expenditure reserve – restricted reserve	22	183	183	175	175
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		210,194	210,188	207,235	207,124
Cash-flow Hedge reserve	18	(53,905)	(53,905)	(46,790)	(46,790)
Total Reserves		158,044	158,038	162,188	162,077

The accompanying notes form part of these financial statements.

The financial statements were approved by the Governing Body on 26 November 2020 and were signed on its behalf on that date by:

Julia Buckingham CBE, Vice-Chancellor and President

Michael Spyer, Chair of Council

Consolidated Cash-Flow Statement

	Notes	July 2020 £'000	July 2019 £'000
Cash flow from operating activities			
Surplus / Deficit) for the year		21,428	(32,416)
Other Reserves Movement		15	0
Adjustment for non-cash items			
Depreciation and amortisation of intangibles	11&12	18,849	18,323
(Increase) / Decrease in stock	14	(1)	50
(Increase) in debtors	15	(3,514)	(2,796)
(Decrease) / Increase in creditors	17	(1,358)	5,786
(Decrease) / Increase in pension provision	30	(16,846)	37,855
Impairment of Fixed Assets		318	1,522
Adjustment for investing or financing activities			
Investment income	5	(408)	(442)
Interest payable	8	4,044	5,818
Endowment income		(149)	(110)
Capital Grant Income		(10,462)	(9,987)
Net cash inflow from operating activities		11,916	23,603
Cash flows from investing activities			
Capital Grant Receipts		1,831	1,956
Withdrawal of deposits		10,000	12,000
Investment income		408	442
Payments made to acquire fixed assets		(7,132)	(15,653)
Impairment of non-current asset investments		118	0
		5,225	(1,255)
Cash flows from financing activities			
Interest paid		(4,044)	(5,818)
Endowment cash received		149	110
Repayments of amounts borrowed		(1,628)	(1,563)
		(5,523)	(7,271)
Increase / (Decrease) in cash and cash equivalents in the year		11,618	15,077
Cash and cash equivalents at beginning of the year	23	28,840	13,763
Cash and cash equivalents at end of the year	23	40,458	28,840

The accompanying notes form part of the financial statements

Statement of Accounting Policies

1. General Information

Brunel University London is registered with the Office for Students (OfS) in England. The address of the registered office is Brunel University London, Kingston Lane, Uxbridge, UB8 3PH.

2. Statement of Compliance

The Consolidated and University financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019. They have also been prepared in accordance with the “carried forward” powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the Accounts Direction issued by the OfS, the terms and conditions of funding for higher education institutions issued by the OfS, and the terms and conditions of the Research England grant.

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of applicable UK laws and accounting standards.

3. Basis of Preparation

The financial statements have been prepared in accordance with the historical cost convention and the restatement of fixed assets revalued on 31 July 2014 at deemed cost.

The University’s activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report. This report also describes the financial position of the University, its cash flows, liquidity position and borrowing facilities,

The Council has a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. In light of Covid-19 and the additional uncertainties for future student numbers together with potential reduced cash-flows, Council has been presented with various scenarios. Furthermore, government funding in case of need has been agreed in principle. Thus Brunel University London considers it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The University’s activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report which also

describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The Members of Council have considered cash flow forecasts for a period of 12 months from the date of approval of these financial statements. After reviewing these forecasts the Members of Council are of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of COVID-19 the University will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The financial statements have been prepared on a going concern basis which the Members of Council consider to be appropriate for the following reasons:

- A number of scenarios have been considered based on differing outcomes in terms of student numbers and the resulting financial impact on the University’s revenue streams. This scenario-based modelling has shown that the University has sufficient capacity to continue as a going concern by employing expenditure control measures appropriate to each scenario.
- Proposed capital expenditure plans have also been reviewed in detail and this exercise has also shown that the Council could preserve the University’s cash position going forward by re-phasing non-essential capital works across future years.
- The University has also confirmed with its current lenders that the relevant covenant conditions can still be met over the next 12-18 month period.
- The University has been accepted as eligible for the Bank of England’s Covid Corporate Financing Facility and can therefore draw down additional liquid resources if required, although it is not expected that this facility will be required based on current scenario planning information.

Consequently, the Members of Council are confident that the University will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

4. Exemptions under FRS102

The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS102) not to produce a cash-flow statement for the University or its subsidiary in its separate financial statements.

5. Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2020. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions.

Associated companies and joint ventures are accounted for using the equity method.

6. Income recognition

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Income and Comprehensive Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the institution is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

Investment income is credited to the statement of income and expenditure on a receivable basis.

Funds the University receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the University where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Grant funding

Government revenue grants including funding council block grant and research grants are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants (including research grants) from non-government sources are recognised in income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised

as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Donations and endowments

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the University is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms of the restriction applied to the individual endowment fund.

There are four main types of donations and endowments identified within reserves:

- a. Restricted donations - the donor has specified that the donation must be used for a particular objective.
- b. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
- c. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital
- d. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Capital grants

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

7. Accounting for retirement benefits

The three principal pension schemes for the University are the Universities Superannuation Scheme (USS), the Teachers' Pension Scheme (TPS) and the London Pension Fund Authority Pension Fund (LPFA). The schemes are defined benefit schemes which were externally funded and contracted out of the State Second Pension (S2P). USS and LPFA are valued every three years by professionally qualified independent actuaries, the details of which are described further in the notes to the accounts.

The USS and TPS are multi-employer schemes for which it is not possible to identify the assets and liabilities to the University of members due to the mutual nature of the schemes and therefore the schemes are accounted for as defined contribution retirement benefit schemes.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Multi-employer schemes

Where an institution is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme. Where the institution has entered into an agreement with such a multi-employer scheme that determines how the institution will contribute to a deficit recovery plan, the institution recognises a liability for the contribution payable that arise from the agreement, to the extent that they relate to the deficit, and the resulting expense is recognised in expenditure.

Defined Benefit Schemes

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University.

The Group should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Annually the University engages independent actuaries to calculate the obligation for each scheme. The present

value is determined by discounting the estimated future payments at a discount rate based on market yields of high quality corporate bonds denominated in sterling with terms approximating the estimated period of future payments. The fair value of a scheme's assets is measured in accordance with the FRS102 fair value hierarchy and in accordance with the University's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts, together with the return on plan assets less amounts included in net interest, are disclosed as actuarial gains and losses. The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

Further detail is provided on the specific pension schemes in note 30 to the accounts.

8. Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement using the salary rate applying on 31 July.

9. Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

10. Service Concession Arrangements

Fixed assets held under service concession arrangements are recognised on the Balance Sheet at the present value of the minimum lease payments when the assets are bought into use with a corresponding financial liability.

Payments under the service concession arrangement are allocated between service costs, finance charges

and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

11. Operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

12. Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the time of the transaction and exchange differences arising on translation are recognised in Surplus or Deficit.

13. Fixed Assets

Property, Plant and Equipment

Property, plant and equipment (PPE) is stated at cost / deemed cost less accumulated depreciation and accumulated impairment losses. Land was revalued to fair value on the date of transition to the 2015 FE/HE SORP, and is booked as deemed cost at transition.

Where parts of a single item of PPE have different useful lives, they are accounted for as separate items of PPE. Costs incurred in relation to PPE after its initial purchase or production are capitalised to the extent that they increase the expected future benefits to the University from the existing PPE beyond its previously assessed standard of performance. The costs of any such enhancements are added to the carrying amount of the PPE concerned.

Assets under construction are not depreciated until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable, whether through the economic benefits of use or through disposal.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

Where capitalised assets are acquired with the aid of specific government grants, the related grant is treated as a deferred capital grant and released to the Statement of Comprehensive Income (SOCI) over the expected useful economic life as defined below.

Land and buildings

Freehold land is not depreciated as it is considered to have an indefinite useful life.

Costs incurred in relation to land and buildings after initial purchase or construction are capitalised to the extent that they increase the expected future benefits to the University.

Land and buildings are stated at cost or, in the case of buildings for which the cost cannot readily be ascertained, at valuation. Buildings are split into three component parts: structure, fit-out and plant and machinery, the economic life of which is determined by architects' certificate, these will be depreciated over their economic life on a straight line basis. The sum of the component parts' economic life will not exceed fifty years. Improvements to leasehold premises are amortised over the period of the lease.

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July. They are not depreciated until the accounting period in which they are brought into use. Site clearance costs are only capitalised as part of enabling works for the construction of a new asset and in this case they are included in the costs of the building and will be depreciated over the life of the new asset. Site clearance costs alone (i.e. with no subsequent construction) will be expensed in the year they are incurred.

The cost of asbestos removal is a legal requirement and will be expensed when incurred. The only exclusions are for major building works that require complete demolition of a building containing asbestos. In this case the removal will be included in the costs of preparing the site for the new building and included in the cost of the new building when complete.

Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is expensed in the period it is incurred. This includes long term maintenance and work arising from stock condition surveys, even if there is an element of betterment in the expenditure.

Equipment

Equipment is capitalised at cost on initial recognition and then subsequently at cost less accumulated depreciation and accumulated impairment losses. All laboratory and other equipment with a single item value above £10,000 is capitalised at cost. Laboratory and other equipment costing less than £10,000 per individual item or group of related items is expensed in the year of purchase.

Capitalised equipment is depreciated over its expected useful economic life, as follows:

Catering equipment	10 years
Telephone and security equipment	5 years
File servers, networks infrastructure and other central IT equipment	5 years
Office equipment, academic equipment, printers	5 years
Purchased motor vehicles	4 years
PC's & laptops purchased to kit out a classroom only	4 years
Groups of public domain and other personal computers	3 years
Laboratory equipment	10 years, unless funded by a shorter research grant
Equipment acquired for research projects	Project life

IT equipment, including PCs, laptops, servers, network infrastructure, where individual items are above £10,000 will be capitalised. Groups of items that individually are below £10,000, even if in aggregate they exceed £10,000, will be expensed in the year of purchase, with the exception of Capital Projects equipping classrooms with PC/fixed laptops, telephone networks (not mobile phones) and laboratory equipment. There may be scope to fund these via government capital receipts.

Furniture and fittings installed as part of a major building construction, rebuild or renewal and exceeding £50,000 in total may be capitalised as part of the building project and written off over 3 years. This includes furnishings and fittings that are specialist or would not easily be substituted for use in another department. Otherwise all furniture and fittings will be expensed.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

14. Intangible assets

Intangible assets acquired or developed are initially recognised at cost. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful lives as follows:

Software acquired or developed - five years representing the remaining estimated economic life of the assets.

Software costing more than £100k may be capitalised, as long as is used in a live environment and is written off over 5 years or its expected useful life if shorter. This relates to purchased or developed software, not cloud based and licenced software, which will be expensed in the year of purchase. Expensing of licenced software is standard accounting practice because the assets are never owned by Brunel University London.

15. Heritage assets

Heritage assets are individual objects, collections, specimens or structures of historic, scientific or artistic value that are held and maintained principally for their contribution to knowledge and culture.

Heritage assets acquired before 1 August 2007 have not been capitalised, since reliable estimates of cost or value are not available at a cost that is commensurate with the benefits to users of the financial statements.

Works of art and other valuable artefacts acquired since 1 August 2007 and valued at over £25,000 have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated as their long economic life and high residual value mean any depreciation would not be material. The assets are subject to an annual impairment review in accordance with applicable accounting standards.

16. Investments

Non-current asset investments are held on the Balance Sheet at amortised cost less impairment.

Investments in associates and subsidiaries are carried at cost in the University's accounts.

Current asset investments are held at fair value with movements recognised in the Surplus or Deficit as a loss or gain on investments.

17. Stock

Stock is held at the lower of cost and net realisable value, and is measured using an average cost formula.

18. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

19. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- the University has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

20. Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011 and a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is

included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are only recognised when more likely than not to be recovered. Deferred tax assets and liabilities are not discounted.

21. Financial Instruments

The University has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement and disclosure of financial instruments. Financial assets and liabilities are recognised when the University becomes party to a contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and to settle the liability simultaneously.

Financial Assets

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

For financial assets carried at amortised cost the impairment loss is the carrying value of the asset and the present value of the estimated future cash-flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the statement of comprehensive income. Where the investment in equity instruments are not publicly traded

and where the fair value cannot reliably be measured, the assets are deemed impaired and written back to the statement of comprehensive income.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

Financial Liabilities

Basic financial liabilities include trade and other payables, bank loans and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within 1 year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Derivatives are not basic financial instruments. Derivatives are initially recognised at fair value on the date the

derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the statement of comprehensive income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

The University applies the principles of hedge accounting to derivatives which are set up as a cash-flow hedge to protect against the possibility of future interest payments on loans (deemed the hedged item) being higher than the interest rate at inception. Further details are included in the statement of accounting estimates and judgements. Accordingly changes in the fair value of the derivative are reflected as a movement in the cash-flow hedge reserve as opposed to recognition through finance costs to the extent that the hedge is deemed effective. Effectiveness of the hedge is determined by application of the dollar offset method.

Financial liabilities are de-recognised when the liability is discharged, cancelled or expires.

22. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund which the University must hold in perpetuity.

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

Statement of Accounting Estimates and Judgements

Statement of Accounting Estimates and Judgements

The preparation of the Institution's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Valuation of Land in Fixed Assets

The University applied paragraph 35.10(c) of FRS102 to measure the land at fair value on the date of transition to FRS102 and to treat the fair value as the deemed cost. The land had been previously acquired in the 1960's at £6m. A qualified independent chartered surveying firm Gerald Eve inspected the site and provided a valuation based on the market values for each of the various categories of land. This valuation was then taken unadjusted as deemed cost as at 31 July 2014.

Remaining Economic Lives of Buildings

The University took advantage of the same qualified independent chartered surveying firm Gerald Eve to reassess the remaining lives of the buildings which Gerald Eve had apportioned between the structure, fit-out and plant & machinery based on site inspections. Wherever University requirement and direction was that the building would be demolished (such as the computing building), this lesser life was applied by Gerald Eve. This has resulted in some buildings having an economic life that from new would have been in excess of 50 years.

Fair Value of SWAPs and their Effectiveness as a Hedged Instrument

The University took out 3 SWAPs to mirror 3 loans which charged interest at LIBOR plus 22 basis points. The effect for the University was to translate variable interest rates into a fixed rate by a 100% effective hedging instrument. The University measures the current "out of the market" position by comparing the current market value of the SWAP to the discounted fixed interest repayments over the life of the SWAP using Thompson Reuters software. The "out of the market" position is reflected in the Balance Sheet as the fair value of the hedged instruments.

The loan and SWAP repayment schedule for each of the three deals had repayment dates and amounts which

were identical until 2040. The University was unable at the inception of the loan to obtain a 40 year loan as intended because 35 years was the maximum offered at that time. As a result, the three loans all contain a balloon payment on 7 December 2040. The SWAPS were set at 40 years in anticipation that Lloyds would reconsider the final repayment date further into the loan repayment program. Brunel has received written confirmation from Lloyds Bank that they are willing to negotiate an extension prior to 7 December 2040 which Brunel would take to 2045 on the same repayment dates as the SWAP. Thus Brunel considers the SWAPS to be a 100% effective hedged instrument and has applied hedge accounting treatments accordingly.

LGPS Pension Liability

The University obtained a valuation from Barnett Waddingham, who used their standard financial assumptions to calculate the net liability of the scheme. These assumptions included the RPI%, CPI% increases, salary increases, pension increases, discount rate and the estimate of the duration of employer liabilities. The University is ultimately responsible for ensuring that the appropriate rates are applied and therefore management reviewed the standard assumptions with the assistance of Mercer. As a result of this review, management decided that the discount rate, CPI rate required amendment together with the consequent impact on salary and pension increases.

The method used for determining the expected rate of inflation in future years has been amended by our actuaries compared to the method used in the 2018-19 accounts. This is due to a change in the method of calculating RPI from 2030 announced by the government in 2019. This is one of the assumptions used in determining the future value of pension obligations. The estimated impact reduces net liability by £9.3m.

USS Deficit Recovery Program Liability

The University used a model commissioned by the British Universities Finance Directors Group (BUFDG) and discount rates as suggested by BUFDG. Salary growth percentage was taken as 1.8% scale increase and 1% inflation increase. Staff numbers in future years agreed to the budget produced for July 2020 and assumed flat thereafter until 2034.

The University has concluded that the current schedule of contributions is the correct basis to use.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically

with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund the deficit results in the recognition of a liability for the contribution payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in the SOCI in accordance with section 28 of FRS 102. The University is satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

Equipment Depreciation

The economic lives of non-building related plant and equipment and vehicles have been based on prior experience of the University.

The reasonableness of these assumptions was benchmarked against peer Universities in March 2012 and has remained unchanged.

Accruals and Provisions

Where there is a liability with an uncertainty as to timing or amount for obligations existing at the balance sheet date such as the case with legal accruals, judgement is made of the likelihood of the future pay-out by both considering past case history and the reasonableness of the provision

verified by the legal representatives. No such accrual is considered material as to affect the users' interpretation of these Financial Statements.

Access and Participation Disclosure

The Access and Participation disclosure note includes percentages of employee time which have been apportioned in accordance with OfS guidance. In the absence of timesheets, for general student-facing departments the costs are apportioned based on the percentage of access and participation students contained within the Brunel student population as a whole. In other teams where the work of the team is targeted at specific student groups, salaries are apportioned based on the percentage of that team's time spent supporting those students who are included within the overall aims of the Access and Participation plan.

Notes to the Accounts

	Notes	Year ended 31 July 2020		Year ended 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
1. Tuition fees and education contracts					
Full-time home and EU students		85,323	85,323	82,666	82,666
Full-time international students		45,217	45,217	36,805	36,805
Part-time students		3,044	3,044	2,590	2,590
NHS Education Contract		1,332	1,332	2,805	2,805
Short Course Fees		1,533	1,533	2,013	2,013
Other Fees		1,604	1,604	1,088	1,088
		138,053	138,053	127,967	127,967
2. Funding body grants					
Recurrent grant					
Office for Students		20,905	20,905	19,799	19,799
Capital grant released in year		7,939	7,939	8,152	8,152
Specific grants					
West Focus		888	888	1,579	1,579
Other funding body grants		649	649	885	885
		30,381	30,381	30,415	30,415
3. Research grants and contracts					
Research councils		10,045	10,045	6,366	6,366
Research charities		1,654	1,654	1,534	1,534
Government (UK and overseas)		11,140	11,140	11,643	11,643
Industry and commerce		1,354	1,354	1,838	1,838
Other		1,918	1,918	1,581	1,581
		26,111	26,111	22,962	22,962
3a. Grant and fee income					
The source of grant and fee income included in notes 1 to 3 is as follows:					
Grant Income from the OFS		28,844	28,844	27,951	27,951
Grant income from other bodies		1,537	1,537	2,464	2,464
Fee income from research awards (exclusive of VAT)		26,111	26,111	22,962	22,962
Fee income from non-qualifying courses (exclusive of VAT)		4,469	4,469	5,906	5,906
Fee income for taught awards		133,584	133,584	122,061	122,061
		194,545	194,545	181,344	181,344
4. Other income					
Residences, catering and conferences		32,146	32,146	38,380	38,380
Released from Deferred Capital Grant		0	0	33	33
Other income		9,699	9,632	9,370	9,265
		41,845	41,778	47,783	47,678
5. Investment Income					
Investment income on endowment	21	127	127	72	72
Investment income on restricted reserves	22	22	22	38	38
Other investment income		259	259	332	332
		408	408	442	442
6. Donations and endowments					
Unrestricted donations		286	286	184	184
		286	286	184	184

		Year ended 31 July 2020		Year ended 31 July 2019	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
7.	Staff costs				
	Staff Costs:				
	Salaries	102,310	102,276	92,898	92,844
	Social security costs	11,168	11,165	10,274	10,268
	Movement on USS provision	(22,110)	(22,110)	33,763	33,763
	Other pension costs	22,478	22,472	18,535	18,526
		113,846	113,803	155,470	155,401
	Emoluments of the Vice-Chancellor:			2020 £'000	2019 £'000
	Salary			315	310
	Bonus Payment			0	10
	Benefits			1	8
	Pension contributions to USS			7	7
				323	335

Vice-Chancellor's Salary and Remuneration Multiples

The University is required to disclose the relationship between the Vice Chancellor's remuneration and that of all other employees, expressed as a pay multiple. The Vice-Chancellor's basic salary is 7.2 times (7.4 times July 19) the median pay of staff, where the median pay is calculated on a full time equivalent basis for the salaries paid to staff. The Vice-Chancellor's total remuneration is 6.7 times (6.7 times July 19) the median total remuneration of staff, where the median total remuneration is calculated on a full time equivalent basis for the total remuneration of its staff. The University has included the costs of employees who are required to be included in real-time reporting to HMRC and excluding those who are not. This is a change of OFS direction from 2018/19 where the "other staff" remuneration included atypical and agency workers. Therefore the two multiples cannot be directly compared.

The University considers the remuneration of the Vice Chancellor to be justified, taking account of the scale and nature of the institution, the challenges of the role, benchmarking information and performance over time. Further detail is in the Remunerations Committee Report section of these financial statements.

Salary bands of the highest paid and other higher paid staff members are set out in the table below. The table excludes employer's pension contributions and all performance related elements; the latter ranged from nil to a maximum of £30,000:

	No.	No.
£100,000 to £104,999	11	7
£105,000 to £109,999	7	6
£110,000 to £114,999	6	5
£115,000 to £119,999	0	0
£120,000 to £124,999	2	1
£125,000 to £129,999	2	3
£130,000 to £134,999	0	1
£135,000 to £139,999	0	2
£140,000 to £144,999	1	0
£145,000 to £149,999	0	2
£150,000 to £154,999	1	3
£155,000 to £159,999	3	1
£160,000 to £164,999	2	0
£165,000 to £169,999	1	1
£170,000 to £174,999	0	0
£175,000 to £179,999	1	2
£180,000 to £184,999	1	0
£185,000 to £189,999	0	0
£190,000 to £194,999	0	1
£195,000 to £200,000	1	0
£200,000 to £204,999	0	0
£205,000 to £209,999	0	1
£210,000 to £214,999	1	0
£310,000 to £314,999	0	1
£315,000 to £319,999	1	0
	41	37

Average full time employee (fte) staff numbers by major category:

	No.	No.
Academic	855	758
Administrative	403	388
Professional	503	474
Ancillary, Maintenance, Miscellaneous	122	120
Technical	80	75
Student Work Placements	39	29
Hourly Paid Lecturers and Others	57	34
	2,059	1,878

A revised methodology of calculating fte, which better reflects the fte equivalent of hourly paid lecturers and other fte categories, was used in 2020. Therefore the 2020 and 2019 numbers in the table above are not directly comparable. Using the revised methodology for 2019, the fte would have shown a total of 1,923.

Compensation for loss of office

There was £282k combined compensation for loss of office paid to 41 staff members in 2019/20 (2018/19 £155k, 18 staff members).

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel. Brunel considers the 15 (2019 - 20) members of the Executive Board to constitute the key management of the University. Compensation includes salary, benefits and employer's pension contribution.

	Year Ended 31 July 2020 £'000	Year Ended 31 July 2019 £'000
Key management personnel compensation	3,254	2,651

Council members

The University's Council members are the trustees for charitable law purposes. Due to the nature of the University's operations and the compositions of the Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of Council may have an interest, including those identified below, are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures.

The total expenses paid to or on behalf of 11 Council members was £3,677 (2019 - £4,956 to 11 Council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and Charity events in their official capacity.

Access and participation

	Year Ended 31 July 2020 £'000
Access Investment	813
Financial Support	1,922
Disability Support (excluding expenditure included in the two categories above)	1,082
Research and Evaluation	63
	3,880

The costs disclosed above include expenditure on staff costs of £1.3m. These costs are included within the total staff costs disclosed in Note 7 above.

Related parties

The University invoiced part of the salary of the Chief Information Officer to Imperial College Health partners for £125k in 2019-20.

The University paid for membership, training programs and conferences with Advanced HE (was HEA) for £69k in year where one council member is a principal fellow and a second is the Chair of the Athena Swan Review. Also paid for was a CBI conference for £8k (where a council member is a member of the innovation council.), membership of CM (UK) for £2k (where a council member is a governance and legal adviser) and payments to London North West Healthcare University Hospitals NHS Trust for Physiotherapy placements of £5k in year (where a council member is employed).

	Notes	Year ended 31 July 2020		Year ended 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
8. Interest and other finance costs					
Loan Interest		4,044	4,044	4,121	4,121
USS Deficit Recovery program Interest	30	842	842	412	412
Net charge on pension scheme other	30	1,140	1,140	1,285	1,285
		6,026	6,026	5,818	5,818

		Year ended 31 July 2020		Year ended 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
9. Analysis of total expenditure by activity					
Academic Department		92,255	92,255	90,202	90,202
Academic Services		28,623	28,623	26,977	26,977
Research Grants and Contracts		28,974	28,974	27,224	27,224
Residences, catering and conferences & Science Park Premises		21,263	21,076	22,402	22,296
Administration		28,330	28,330	30,695	30,695
USS Pension Recovery Program		32,652	32,652	26,051	26,051
Other Services		(21,268)	(21,268)	34,175	34,175
		4,827	4,827	4,443	4,443
		215,656	215,469	262,169	262,063

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Other operating expenses include:				
External auditors' remuneration in respect of audit services excluding VAT	66	62	63	60
External auditors' remuneration in respect of non-audit services excluding VAT	7	7	13	13

10. Taxation

Recognised in the statement of comprehensive income	2020 Consolidated £'000	2020 University £'000	2019 Consolidated £'000	2019 University £'000
Current tax expense	0	0	0	0
Deferred tax expense	0	0	0	0
	<hr/>	<hr/>	<hr/>	<hr/>
	0	0	0	0

11. Intangible assets

Software	2020	2020	2019	2019
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Opening Balance	118	118	0	0
Additions in year	0	0	120	120
Amortisation charge for the year	(24)	(24)	(2)	(2)
	<hr/>	<hr/>	<hr/>	<hr/>
	94	94	118	118

12. Fixed assets				
Consolidated	Freehold Land and Buildings £'000	Plant and Machinery £'000	Assets in the Course of Construction £'000	Total £'000
Cost				
At 1 August 2019	515,206	74,882	13,776	603,864
Additions	0	717	7,165	7,882
Transfers	857	5,430	(6,287)	0
Impairment	0	0	(318)	(318)
At 31 July 2020	516,063	81,029	14,336	611,428
Depreciation				
At 1 August 2019	126,576	55,014	0	181,590
Charge for the year	9,859	8,966	0	18,825
At 31 July 2020	136,435	63,980	0	200,415
Net book value At 31 July 2020	379,628	17,049	14,336	411,013
At 31 July 2019	388,630	19,868	13,776	422,274
University				
Cost				
At 1 August 2019	515,206	74,882	13,776	603,864
Additions	0	717	7,165	7,882
Transfers	857	5,430	(6,287)	0
Impairment	0	0	(318)	(318)
At 31 July 2020	516,063	81,029	14,336	611,428
Depreciation				
At 1 August 2018	126,576	55,014	0	181,590
Charge for the year	9,859	8,966	0	18,825
At 31 July 2019	136,435	63,980	0	200,415
Net book value At 31 July 2020	379,628	17,049	14,336	411,013
At 31 July 2019	388,630	19,868	13,776	422,274

At 31 July 2020 freehold land and buildings included £124.4m (2019 – £124.4m) in respect of freehold land which is not depreciated.

The land comprising Brunel University Estate was valued as at 31 July 2014 by an external valuer Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation - Professional Standards, January 2014 amendment and the Financial Reporting Standard 102 and the 2014 Statement of Recommended Practice 'Accounting for Further and Higher Education'. The valuation was undertaken on a Fair Value basis. The valuation is reported under the special assumptions to exclude any value of development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced and that one building currently subject to redevelopment has been completed.

12 Continued - Heritage assets

There have been no donations of heritage assets in the past 5 years. There was an acquisition for £16k of a bronze coated statue of a sheep in the image of Brunel in 2015-16 and a statue, also of Brunel, purchased for £133k but no other acquisitions in the past 5 years.

The table below shows the analysis of acquisitions. All entries for 2016 and before have been expensed as they were below the threshold for capitalisation. Acquisitions for the current and previous four years were as follows:

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Acquisitions purchased with University funds	0	0	0	133	16
Total cost of acquisitions purchased	0	0	0	133	16
Total acquisitions expensed	0	0	0	16	3

13 Non-Current Investments**Consolidated****Fixed Asset
Investments
£'000****At 1 August 2019**

151

Additions
Impairments

0
(118)

At 31 July 2020

33

University

£'000

At 1 August 2019

33

Additions
Re-assessment of Impairments

0
0

At 31 July 2020

33

Non-current investments consist of:

.

**Consolidated
£'000**

**University
£'000**

CVCP Properties plc who own a property called Woburn House which is used by Higher Education Universities as a centre for administration and training

33

33

	Notes	Year ended 31 July 2020		Year ended 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
14 Stock					
General consumables		175	175	174	174
		<u>175</u>	<u>175</u>	<u>174</u>	<u>174</u>

	Notes	Year ended 31 July 2020		Year ended 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
15 Trade and other receivables					
Amounts falling due within one year:					
Research grant receivables		11,156	11,156	7,397	7,397
Other trade receivables		10,965	10,962	8,695	8,638
Prepayments and accrued income		7,697	7,697	10,212	10,212
Amounts due from subsidiary companies		0	0	0	11
		<u>29,818</u>	<u>29,815</u>	<u>26,304</u>	<u>26,258</u>
Amounts falling due after more than one year		0	0	0	0
		<u>29,818</u>	<u>29,815</u>	<u>26,304</u>	<u>26,258</u>

	Notes	Year ended 31 July 2020		Year ended 31 July 2019	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
16 Current Investments					
Short term deposits		17,000	17,000	27,000	27,000
		<u>17,000</u>	<u>17,000</u>	<u>27,000</u>	<u>27,000</u>

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority with more than three months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

At 31 July 2020 the weighted average interest rate of these fixed rate deposits was 0.70% (2019: 1.09%) per annum and the weighted average period for which the interest rate is fixed on these deposits was 182 (2019: 341) days. The fair value of these deposits was not materially different from the book value.

17. Creditors: amounts falling due within one year

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Secured loans	1,718	1,718	1,628	1,628
Trade payables	10,449	10,451	17,179	17,178
Social security and other taxation payable	2,851	2,847	3,510	3,500
Accruals and deferred income	44,629	44,624	38,449	38,397
	59,647	59,640	60,766	60,703

Deferred income

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Other Income	9,448	9,448	6,673	6,636
Research grants received on account	17,807	17,807	16,718	16,718
Capital Grants from HEFCE and other Government sources < 1 year	6,042	6,042	6,643	6,643
Income in Advance < 1 year	33,297	33,297	30,034	29,997
Capital Grants from HEFCE and other Government sources > 1 year	33,488	33,488	41,519	41,519
Total income in Advance	66,785	66,785	71,553	71,516

18. Cash-flow Hedge Reserve and fair value of hedged instrument liability

The University entered into three loans with Lloyds Bank at LIBOR plus 20 basis points of £50m, £25m and £25m between the dates of 31 October 2005 to 30 September 2007. The currency of all of these is sterling and the interest is paid in arrears on the last day of its interest period, which is semi-annual. The interest periods have start/end dates of 7 June and 7 December with a final end date on all 3 facilities being 7 December 2040 and with a final repayment due for the outstanding balance. Brunel has written confirmation that the loans can be renegotiated to extend to 7 December 2045 on the same payment profile as the SWAPs taken out at the same time.

The University set up three sterling SWAPs with Bank of America Merrill Lynch, being £50m at 4.588% on 31 October 2005, £25m at 4.5843% on 30 September 2006 and £25m at 4.5823% on 30 September 2007. Brunel pays interest on each SWAP in arrears on the last day of the interest period. Both the fixed and floating rate payment schedules have payment dates of 7 June and 7 December. All three SWAPs have an end date of 7 December 2045. The three SWAPs were novated to Lloyds in June 2019 on the same terms.

Fair value of the SWAP liability as at 31 July obtained from Thompson Reuters:

	2020 £'000	2019 £'000
Brought forward 1 August	46,790	37,425
Change in fair value of hedging instrument recognised in SOCI in year (100% effective)	7,115	9,365
Carried forward 31 July	53,905	46,790

The SWAPs were set up on the same dates as the loans with the same repayment profiles until 2040 and to run for the 5 additional years until 7 December 2045 that the loans will eventually be extended to. The SWAPs were designed as a hedging instrument that effectively eliminates the interest rate risk of the variability in cash flows on the floating rate loan attributable to changes in the 6 month GBP LIBOR by creating certainty of interest payment at the same 6 monthly interval.

The University considers the 3 SWAPs to be 100% effective hedges and apply the principles of hedge accounting of 12.23 FRS 102 to disclose a cash-flow hedge reserve for the same total as the fair value of the SWAP liability in the Consolidated Statement of Changes in Reserves.

19. Creditors: amounts falling due after more than one year

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Deferred income	33,488	33,488	41,519	41,519
Derivatives	53,906	53,906	46,790	46,790
Secured loans	81,385	81,385	83,103	83,103
	168,779	168,779	171,412	171,412
Analysis of secured and unsecured loans:				
Due within one year or on demand (Note 20)	1,718	1,718	1,628	1,628
Due within one and two years	1,801	1,801	1,718	1,718
Due between two and five years	8,113	8,113	7,737	7,737
Due in five years or more	71,471	71,471	73,648	73,648
Due after more than one year	81,385	81,385	83,103	83,103
Total secured and unsecured loans	83,103	83,103	84,731	84,731
Secured loans repayable by 2040	83,103	83,103	84,731	84,731
	83,103	83,103	84,731	84,731

The secured loans are the following:

Lender	Amount £'000	Term	Interest Rate %	Borrower
Lloyds	41,277	2040	4.59	University
Lloyds	21,008	2040	4.58	University
Lloyds	20,818	2040	4.58	University
	83,103			

20. Provisions for liabilities

	Pension enhancement on termination £'000	Obligation to fund deficit on USS Pension £'000	LGPS Defined Benefit Obligations (Note 30) £'000	Total Pension Provisions £'000
Consolidated				
At 1 August 2019	1,078	53,266	56,151	110,495
Utilised in year	(22)	(929)	0	(951)
Additions in year	0	0	22,916	22,916
USS Scheme Repayment Plan contribution change	0	(20,339)	0	(20,339)
At 31 July 2020	1,056	31,998	79,067	112,121
University				
At 1 August 2019	1,078	53,266	56,151	110,495
Utilised in year	(22)	(929)	0	(951)
Additions in year	0	0	22,916	22,916
USS Scheme Repayment Plan contribution change	0	(20,339)	0	(20,339)
At 31 July 2020	1,056	31,998	79,067	112,121

Pension enhancement

The assumptions for calculating the provision for pension enhancements on termination under FRS 102 are as follows:

	Consolidated
Discount rate	1.14 %
Inflation	2.54 %

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below and further information is provided in note 30.

Following completion of the 2018 actuarial valuation, a new deficit recovery program has been agreed of which more detail is provided in note 30. The new plan requires deficit payments of 2% of salaries from October 2019 to 30 September 2021 and then payments of 6% of salaries from October 2021 to 31 March 2028. As a consequence the deficit provision has decreased significantly from the prior year, £20,339k of which is due to the change in the deficit contributions contractual commitment.

The major assumptions used to calculate the provision are

	2020	2019
Discount rate	0.73%	1.58%
Salary growth	2.80%	3.00%

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

	Approximate Impact £'000
0.5%pa decrease in discount rate	776
0.5%pa increase in salary inflation over duration	754
0.5%pa increase in salary inflation for 1 year only	156
0.5% increase in staff changes over duration	777
0.5% increase in staff changes year 1 only	160
1.0% increase in deficit contributions	(1,448)

21. Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Restricted Permanent endowments £'000	Expendable endowments £'000	Total 2020 £'000	Total 2019 £'000
Balances at 1 August 2019				
Capital	445	944	1,389	1,399
Accumulated income	179	0	179	179
	624	944	1,568	1,578
New endowments	0	127	127	72
Expenditure	0	(123)	(123)	(82)
	0	4	4	(10)
At 31 July 2020	624	948	1,572	1,568
Represented by:-				
Capital	445	948	1,393	1,389
Accumulated income	179	0	179	179
	624	948	1,572	1,568
At 31 July 2020	624	948	1,572	1,568
Analysis by type of purpose:				
Lectureships	0	13	13	13
Scholarships and bursaries	469	468	937	974
Prize Funds	155	129	284	285
General	0	338	338	296
	624	948	1,572	1,568
Analysis by asset:				
Cash & cash equivalents			1,572	1,568
Total Assets			1,572	1,568

22. Restricted Reserves

Reserves with restrictions (all donations) are as follows:-

	2020 Total £'000	2019 Total £'000
Balances at 1 August 2019	175	155
New donations	22	38
Expenditure	(14)	(18)
	8	20
At 31 July 2020	183	175

Analysis of other restricted funds/donations by type of purpose:

	2020 Total £'000	2019 Total £'000
Scholarships and bursaries	21	21
Prize funds	16	17
General	146	137
	183	175

23. Cash and cash equivalents

	At 1 st August 2019 £'000	Cash Flows £'000	At 31 st July 2020 £'000
Consolidated			
Cash and cash equivalents	28,840	11,618	40,458
	28,840	11,618	40,458

24. Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2020:

	31 July 2020		31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Capital commitments	5,133	5,133	5,993	5,993
	5,133	5,133	5,993	5,993

25. Contingent liabilities

The University is not aware of any contingent liabilities which require to be disclosed in accordance with the standard accounting policies.

26. Lease Obligations

Total rentals payable under operating leases:

	31 July 2020			31 July 2019
	Land and Buildings £'000	Other leases £'000	Total £'000	£'000
Future minimum lease payments due:				
Not later than 1 year	1,104	86	1,190	1,280
Later than 1 year and not later than 5 years	0	14	14	0
Later than 5 years	0	0	0	0
Total lease payments due	1,104	100	1,204	1,280

27. Post Balance Sheet Events

In September 2020, the Trustee of the USS Pension scheme (USS) launched a consultation with Universities UK on key aspects of the scheme's 2020 valuation. The scope of this exercise covers a wide range of potential outcomes – reflecting issues still to be resolved on employer support as well as uncertainties for the higher education sector and financial markets in general – but, based on the proposals put forward, the Trustees have indicated that the fund's deficit at 31 March 2020 could range from between £9.8bn and £17.9bn.

This would represent a significant deterioration from the £3.6bn deficit established under the 2018 valuation (and against which the current recovery plan is set) and a return to the levels of shortfall experienced under the previous 2017 valuation (£11.8bn).

At this stage, an outcome is far from agreed and the USS Trustee has until 30 June 2021 to conclude the valuation. As an early indication of the scale of the impact though, it has been estimated that the cost of continuing to offer current benefits in this context could reach between 40.8% and 67.9% of payroll. However, this range is purely illustrative and is before any other measures are considered to reduce the deficit and are still being widely debated across the sector and the Trustee of the Pension Scheme. For the 2019-20 financial year, however, this is considered a non-adjusting event.

28. Subsidiary undertakings

The subsidiary companies (all of which are registered in England & Wales), wholly-owned or effectively controlled by the University, are as follows:-

Company	Principal Activity	Status
Brunel University Enterprises Limited	Running the Brunel University London Science Park and the vehicle for spinout companies.	100% owned
HecoAnalytics Limited	Dormant – never traded	100% owned
Testavec Limited	Dormant – never traded	100% owned
Syngenious Limited	Dormant – never traded	100% owned
Vulcaner Limited	Bus emissions equipment research	100% owned

29. Connected charitable Institutions

Brunel University London does not have any connected charitable institutions.

30. Pension Schemes

The three principal pension schemes for the University's staff are:

- Universities Superannuation Scheme (USS)
- Teachers' Pension scheme (TPS) for academic staff
- London Pensions Fund Authority Scheme (LPFA) for other staff

All three schemes are defined-benefit schemes contracted out of the State Second Pension (S2P) the assets of which are held in separate trustee administered funds.

	Year Ended 31 July 20 £'000	Year Ended 31 July 19 £'000
Statement of comprehensive income – net pension cost for the University and its subsidiaries was:		
USS	14,574	11,721
TPS	251	194
LPFA	7,647	6,616
Other Pension scheme staff cost	6	4
Total pension staff cost as per note 7	22,478	18,535
Provision for the ex-WLIHE pension increase, non-staff cost	9	17
	22,487	18,552
Other Comprehensive Income – actuarial gain in respect of pension schemes for the University and its subsidiaries was:		
LPFA	30,626	2,803
Ex-WLIHE	69	42
	30,695	2,845
Statement of financial position – pension liability for the University and its subsidiaries (note 20) was:		
USS	31,998	53,266
LPFA	91,290	56,151
Ex-WLIHE	1,056	1,078
	124,344	110,495
Net interest Charge on Pension Scheme (note 8):		
USS Deficit Recovery program interest on opening liability	842	412
LPFA Interest cost on scheme liabilities	3,237	3,645
LPFA Interest receivable on scheme assets	(2,097)	(2,386)
Ex-WLIHE interest	0	26
	1,982	1,697

(i) Teachers Pension Scheme

TPS is an unfunded defined benefit scheme administered by the Teachers Pensions agency in accordance with the Teachers' Superannuation (Consolidation) Regulations 1988. Contributions on a 'pay as you go' basis are paid to the Exchequer under arrangements governed by the Superannuation Act 1972.

It is not possible to identify the University's share of the underlying assets and liabilities in the scheme and hence, using the exemption under FRS 102, contributions to the scheme are accounted for as if it were a defined contribution scheme with the cost recognised in the Statement of Comprehensive Income and Expenditure account being equal to the contributions payable to the scheme.

As the scheme is backed by the taxpayer there is no deficit liable to the University and no deficit recovery program and consequent liability placed upon the University.

(ii) The Universities Superannuation Scheme

Brunel University London participates in the Universities Superannuation Scheme (USS - "The Scheme"). The Scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the Scheme are held in a separate trustee-administered fund.

Because of the mutual nature of the Scheme, the assets are not attributed to individual institutions and a Scheme-wide contribution rate is set. Brunel is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its shares of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee Benefits", Brunel therefore accounts for the Scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to I&E represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the Scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

30. Pension Schemes (USS continued)

The total cost charged to the consolidated statement of comprehensive income is £14.6m (2018–19 £11.7m).

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at March 2018 ("the valuation date"), which was carried out using the projected unit method. The valuation as at 31 March 2020 is underway but not yet complete.

Since the University cannot identify its share of the Retirement Income Builder section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the Scheme as a whole.

The 2018 valuation was the fifth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the Scheme was £63.7 billion and the value of the Scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the statement of funding principles.

Pension increases (CPI) Term dependent rates in line with the difference between the Fixed Interest and Interest Linked yield curves less 1.3% p.a.

Discount rate (forward Rates)	Years 1-10:	CPI +0.14% reducing linearly to CPI -0.73%
	Years 11-20:	CPI +2.52% reducing linearly to CPI +1.55% by year 21
	Years 21+:	CPI +1.55%

A new deficit recovery program was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rates will increase to 6%, until 31 March 2028. The 2020 deficit recovery reflects this plan.

In the year to 31 July 2019, the liability was based on the previous deficit recovery plan, which required payment of 5% of salaries over the period 1 April 2020 to 30 June 2034.

The reduction in the term of the deficit recovery plan has given rise to a substantial reduction in the deficit provision which has decreased from £53,266k to £31,998k as set out in note 20. £20,339k of this decrease is attributable to the change in deficit contribution contractual commitment. See also staff costs Note 7 in respect of significant one-off pension costs / gains.

A further full valuation as at 31 March 2020 is currently underway. As the valuation has only recently commenced there is still work to be done agreeing the Technical provisions assumptions, the extent of future investments risk, the duration of the deficit period and the level of deficit contributions. Rule changes in Respect of strengthening the employer covenant are also in progress including restrictions on employer exits, debt monitoring and pari passu arrangements. The valuation must be completed by 30 June 2021. However it is generally anticipated that there will be a significant increase in the deficit provision at 31 July 2021 (assuming the valuation is completed by then).

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows: -

Mortality base table	2018 Valuation
	Pre-retirement: 71% of AMCOO (duration 0) for males and 112% of AFCCO (duration 0) for females
	Post Retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFVVO for females
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females

The current life expectancies on retirement at age 65 are:

	2018 valuation	2017 valuation
Males currently aged 65 years	24.4	24.6
Females currently aged 65 years	25.9	26.1
Males currently aged 45 years	26.3	26.6
Females currently aged 45 years	27.7	27.9

Key assumptions used are:

	2020	2019
Discount rate	2.59%	2.44%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	4.20%	2.11%

(iii) Local Government Pension Scheme - London Pensions Fund Authority (LPFA)

The University participates as an Admitted Body in the LPFA which is administered in accordance with the Local Government Pensions Scheme Regulations 1997. The fund is valued every 3 years by actuaries, and the projected unit method is used in respect of the Active Sub-Fund in which the University participates. Each participating employer has their own contribution rate reflecting the long-term future service rate, adjusted for the funding level in respect of past service. For the year ended 31 March 2020, the employer's contribution rate was 14.4% (14.4% March 19). This increased on 1 April 2020 to 17.0%. However the University was required to pay a lump sum of £0.98m in April 2020 (and £2.02m in April 2019) in respect of past service benefits. The employee's rate from 1 April 2011 is based on a branded earnings schedule. The employer contributions were £3.70m (£4.30m in 2019) and the employee's contributions were £1.15m (£1.01m 2019).

The following information regarding the LPFA is based on the full actuarial valuation of the fund as at 31 March 2019, rolled forward to 31 March 2020 by Barnett Waddingham, an independent firm of actuaries. The major assumptions are:

	2020	2019	2018	2017	2016
Inflation (CPI)	2.20%	2.40%	2.35%	2.6%	2.1%
Rate of increase in salaries	3.20%	3.90%	3.85%	4.1%	3.9%
Rate of increase in pensions	2.20%	2.10%	2.35%	2.6%	2.1%
Discount rate	1.60%	2.10%	2.65%	2.7%	2.5%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. They assumed life expectations on retirement at age 65 are:

	Males	Females
Retiring today	21.3	24.4
Retiring in 20 years	22.8	25.9

The following assumptions have been made:

Members will exchange half of their commutable pension for cash at retirement

Members will retire at one retirement age for all tranches of benefit, the pension weighted average tranche retirement age. No members will take up the option under the new LGPS to pay 50% of contributions for 50% of benefits.

The following amounts at 31 July 2020 were measured in accordance with the requirements of FRS102

	2020 £'000	2019 £'000
Estimated Asset Share	103,975	99,506
Present value of scheme liabilities	(183,042)	(155,657)
Deficit in scheme	<u>(79,067)</u>	<u>(56,151)</u>

30. Pension Schemes (LGPS continued)

	2020 £'000	2019 £'000
Analysis of amount charged to the Statement of comprehensive income and expenditure		
Current service cost (net of employee contributions)	(6,936)	(5,573)
Past Service Cost	(0)	(1,055)
Net interest on the defined liability	(1,140)	(1,259)
Actuarial gain/(loss) recognised in SOCI below the surplus for the year	(18,403)	(2,803)
Losses on Settlements	0	0
Losses on Curtailments	0	0
Administration expenses	(129)	(116)
	(26,608)	(10,806)
Return on fund assets in excess of interest	3,204	6,509
Change in demographic assumptions	(1,051)	7,440
Experience gain on defined benefit obligation	(9,217)	0
Other actuarial gains/(losses) on assets	(1,371)	0
Change in financial assumptions	(9,968)	(16,752)
Actuarial gain/(loss) recognised in SOCI below the Surplus for the year	(18,403)	(2,803)
Movement in deficit in the year		
Deficit in scheme at the beginning of the year	(56,151)	(49,643)
Current Service costs	(6,936)	(5,573)
Contributions	3,692	4,298
Contributions in respect of unfunded benefits	0	0
Past service costs	0	(1,055)
Other finance income	(1,140)	(1,259)
Administration charges	(129)	(116)
Settlements and curtailments	0	0
Actuarial gain/(loss)	(18,403)	(2,803)
Deficit in scheme at the end of the year	(79,067)	(56,151)
Net return on scheme assets at the beginning of the year	99,506	89,349
Interest on Assets	2,097	2,386
Return on Assets less interest and other actuarial gains	3,204	6,509
Other actuarial gains/(losses)	(1,371)	0
Administration Expenses	(129)	(116)
Contributions by Employer	3,692	4,298
Contributions by scheme participants	1,151	1,006
Estimated benefits paid (net of transfers in and unfunded)	(4,175)	(3,926)
Net return on scheme assets at the end of the year	103,975	99,506
Net return on scheme liabilities at the beginning of the year	(155,657)	(138,992)
Current Service Cost	(6,936)	(5,573)
Past Service Cost	0	(1,055)
Interest Cost	(3,237)	(3,645)
Change in Financial Assumptions	(9,968)	(16,752)
Change in demographic assumptions	(1,051)	7,440
Experience gain/(loss) on defined benefit obligation	(9,217)	0
Estimated benefits paid (net of transfers in and unfunded)	4,175	3,926
Unfunded pension payments	(1,151)	(1,006)
Net return on scheme liabilities at the end of the year	(183,042)	(155,657)

30. Pension Schemes (LGPS continued)

	2020 £'000	2020 %	2019 £'000	2019 %
Scheme Assets breakdown				
Equities	56,146	54	56,719	57
Target return portfolio	20,795	20	19,901	20
Infrastructure	7,278	7	5,970	6
Property	9,358	9	8,956	9
Cash	10,398	10	7,960	8
Total	103,975	100	99,506	100

History of experience gains and losses cumulative

	2020 £'000	2019 £'000
Interest on Assets		
Total scheme assets	2,097	2,386
% of scheme assets	2.0%	2.4%
Experience (gains)/losses on scheme liabilities		
Present value of liabilities	(9,217)	0
% of present value of liabilities	(183,042)	(155,657)
	5.0%	0%
Actuarial gain/(losses) recognised in SOCI below the surplus		
Present value of liabilities	(18,403)	(2,803)
% of present value of liabilities	(183,042)	(155,657)
	10.0%	1.8%

Impact of the McCloud/Sargeant judgement on the reported LPFA pension liability

On 27 June 2019 the Supreme Court denied the Government's request for an appeal of the Court of Appeal's judgement in McCloud/Sargeant case that transitional provisions introduced to the reformed judges and firefighters pension schemes in 2015 gave rise to unlawful age discrimination. The ruling relates to the transitional protection offered to some members – broadly those within 10 years of retirement age for the LGPS when the reformed schemes were introduced. The court had found that those too far away from retirement age to qualify for these transitional protections had been unfairly discriminated against. As transitional protection was offered to members of all the public service pension schemes, the government believes that the difference in treatment will need to be remedied across all of those schemes. This includes the LGPS scheme.

Allowance has been made in the Financial Statements of 2018-19 for the estimated impact on the total liabilities as a result of this case of £1,055k and it has been treated as a past service cost. The service cost for 2019/20 has also been increased by £159k and this will continue in future years. The adjustment is based on analysis carried out by the Government Actuary's department (GAD) and the employer's liability profile.



Membership of Council

Names	Status of Appointment	Date Appointed	Date Resigned/ Completed Term of Office
Mr M Ahmed	Independent Member	26.11.19	
Dr V Bhalla	Independent Member	01.01.20	
Prof J Buckingham	Vice-Chancellor & President		
Mr M Garrett	Independent Member	01.01.20	
Ms H Ghantiwala	Independent Member		
Ms L Hunt	Deputy Chair of Council		
Mr P Kanakamedala	Independent Member		07.02.20
Prof R Lingwood	Provost		
Mr C Miller	Elected Staff Member		17.12.19
Mr A Murphy	Chief Financial Officer		
Ms A Paruchuri	Student Member	19.06.20	
Prof M Rand-Weaver	Vice-Provost, Education		
Mr R Rathore	Student Member		19.06.20
Ms T Rosingholm	Independent Member		
Ms A Rowlatt	Independent Member		
Ms A Spielman	Independent Member		01.02.20
Prof M Spyer	Chair of Council		
Mr P Teague	Independent Member		
Dr K Thomas	Independent Member		
Mr P Thomas	Chief Operating Officer		30.06.20
Dr P D Thomas	Elected Academic		
Ms A Waltham	Independent Member		
Prof J Wood	Independent Member		

Membership of Committees

Finance Committee Chairman Mr P Teague Members Mr M Ahmed [from 01.06.20] Dr V Bhalla [from 01.06.20] Prof J Buckingham Ms L Hunt Mr P Kanakamedala [until 07.02.20] Prof R Lingwood Mr A Murphy Ms A Paruchuri [from 19.06.20] Mr R Rathore [until 19.06.20] Ms T Rosingham Prof M Spyer Dr K Thomas Mr P Thomas [until 30.06.20]	Audit Committee Chairman Ms A Rowlatt Members Mr T Belisario [co-opted] Mr M Garrett [from 01.06.20] Ms H Ghantiwala Mr D Haigh Ms A Spielman [until 01.02.20] Prof J Wood In Attendance Prof J Buckingham Prof R Lingwood Mr A Murphy Mr P Thomas [until 30.06.20]	Remuneration Committee Chairman Mr P Teague Members Mr M Ahmed [from 01.06.20] Ms L Hunt Mr P Kanakamedala [until 07.02.20] Prof M Spyer Dr K Thomas In Attendance Prof J Buckingham Prof R Lingwood
Special Projects Committee Chairman Dr K Thomas Members Prof J Buckingham Ms L Hunt Prof R Lingwood Mr A Murphy Ms A Paruchuri [from 19.06.20] Mr R Rathore [until 19.06.20] Prof M Spyer Mr P Teague Mr P Thomas [until 30.06.20] Ms A Waltham Prof J Wood	Nominations Committee Chairman Ms L Hunt Members Dr V Bhalla [from 01.06.20] Prof J Buckingham Mr P Kanakamedala [until 07.02.20] Prof R Lingwood Ms A Paruchuri [from 19.06.20] Mr R Rathore [until 19.06.20] Prof M Spyer Mr P Teague Dr K Thomas	Health and Safety Committee Chairman Mr A Murphy [10.06.20] Mr P Thomas [until 05.02.20] Members Mr T Belisario Mr I Goodliffe Ms A Paruchuri [from 19.06.20] Mr R Rathore [until 19.06.20]
Ethics Advisory Committee Chairman Prof John Wood Members Ms H Ghantiwala Mr C Miller [until 17.12.19] Ms A Paruchuri [from 19.06.20] Mr R Rathore [until 19.06.20] Ms A Waltham	Honorary Degrees Committee Chairman Prof J Buckingham Members Dr V Bhalla [from 01.06.20] Mr P Kanakamedala [until 07.02.20] Prof R Lingwood Ms A Paruchuri [from 19.06.20] Mr R Rathore [until 19.06.20] Ms T Rosingham Prof M Spyer Prof J Wood	

Professional Advisers

Banker	Legal advisers	External auditor
HSBC Bank plc, Uxbridge	Eversheds, London Veale Wasbrough Vizards, Bristol Farrer & Co, London Pinsent Masons, Birmingham	KPMG LLP, London
Indirect tax adviser	Internal Auditor	
Ellis Chapman & Associates, Knutsford, Cheshire	BDO LLP, London	

Notes





Financial Statements 2019/20

Brunel University London, Kingston Lane, Uxbridge, UB8 3PH